

INSIDE: A SPECIAL REPORT—YOU AND YOUR TAXES

# Maclean's

JUNE 29, 1987

CANADA'S WEEKLY NEWSMAGAZINE

\$1.75

## Should The State Kill?

A Crisis Of  
Conscience  
For 279 MPs

A Maclean's/Decima  
Poll On How Canadians  
Feel About The Issue



26





**LETTERS****Dual Olympians**

Just to set the record straight, in "Canada's long slide to gold" (Olympics, May 25), you say that Pierre Harvey became the first male Canadian to compete in both Summer and Winter Olympics in 1984. In fact, my husband, Bob Beucher, speed-skated in the Grenoble Winter Olympics in 1968 and later that same year cycled in the Mexico Summer Olympics.

—DALE POLSCHER,  
Nelson, B.C.

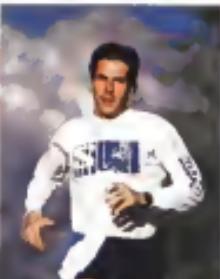
**Diplomacy without job-creation**

I fail to follow Peter C. Newman's leap of logic in arguing that Canada's economic future lies in the hands of men such as Paul Desmarais ("Power's new Siberian connection," Business Watch, June 1). While I fully agree that co-operation—economic, cultural or any other—will help to lessen East-West tensions, it is beyond me how investing in a Russian pulp mill to send a paper mill in China using Korean technology is going to put anyone in Canada to work.

—RANDY WISMER,  
Winnipeg

**An unchallenged Soviet view?**

One of the hallmarks of journalism in a free society like ours is the adversarial role the media play in trying to clarify inconsistencies between the words and deeds of public officials. Your interview with Soviet Ambassador Aleksandr Reznichenko ("An interview," June 19) seems to have abandoned this approach in exchange for uncritically parroting



*Harvey training in Banff, not sicks*

the Soviet view of the world. For example, the United States is guilty of "state terrorism" for bombing terrorist training camps in Libya, but you fail to press the ambassador for how he defines "acts of national liberation." You also missed your chance to discuss rights. I wonder if the ambassadors of South Africa, Chile or South Korea would have gotten away with not being questioned regarding human rights in their countries. Without a wider perspective, you risk becoming nothing more than an uncritical transmission belt for Soviet propaganda.

—TONY PRUDHOM,  
Thunder Bay, Ont.

After reading your interview with Soviet Ambassador Aleksandr Reznichenko, I was astonished to find that I thought I had been asked to sit on a Eastern Bloc jury. You allowed a massive of untrained propaganda to control the interview. When Reznichenko says, "For pleasure, I would like to comment further on Soviet-Canada relations," the reporter should have pointed out that he had another line of questioning in mind.

—G. CARMICHAEL DONALD,  
Edmonton

**CLARIFICATION**

A story in the June 22 issue of *Maclean's* ("Hollywood Goes to War," The Arts) reported that Grigoriy Didenko, Soviet chairman of Gorky's Didenko-favoured imitations of a movie admission tax to increase Canadian film production. After the magazine went to print, a spokesman for Grévin stated that Mr. Didenko's plan failed to pass through a tax.

Letters one edited and may be rendered anonymous. Readers should supply name, address and telephone number. Mail correspondence to: Letters to the Editor, *Maclean's Magazine*, Maclean's Building, 777 Bay St., Toronto, Ont. M5W 1A7.

**PASSAGES**

**BENIGNUS** Gérard Pelletier, 68, as board chairman of the National Museums of Canada, the federal agency that oversees the National Gallery, the Canadian Museum of Civilization, the National Museum of Sciences and Technology and the Museums of Natural Science. Pelletier, a former secretary of state in Pierre Trudeau's government and later ambassador to France, complained that Communications Minister Flores MacDonald was guilty of "flagrant violations of the arm's-length relationship with the museums" because she announced on May 25 that the \$8 million allocated by the corporation for funding national programs would be transferred to her department and that the corporation will be wound down.

**APPRENTICE** Madan Justice Alex Berjard, 52, of Montreal as the first woman on the Federal Court of Appeal. By Justice Minister Ray Hnatyshyn's designation, a member of the Quebec Superior Court since 1983, he was director of administrative law in the federal justice department from 1974 to 1981.

**OBED** American novelist, playwright, screenwriter and feminist Vicki Carrasco, 27, best known for her *Ice Lovers* (1985) with Gene Tierney and Clinton Webb, of a stroke, in a New York City hospital. A recurring theme in Carrasco's work was a defense of women's right to an independent career.

**BAED** Farmer Kansas City Royals manager Dick (Dick) Howser, 50, whose team played in the Toronto Blue Jays' 1985 World Series. He died yesterday after a massive heart attack while playing in a tennis tournament in the World Series by defeating the National League St. Louis Cardinals, of brain cancer, in a Kansas City hospital.

**BASHED** Marshal Anatoly Konstantinov, 36, as commander of the Moscow air defence district three weeks after West German pilot Matthias Rust, 19, landed a single-engine plane in Red Square. Defence Minister Sergei Sokolov and air defence commander Aleksander Kuznetsov had already been fired, ostensibly because of the incident. But western Eurominologists said that the dismissals were clear signs of Soviet leader Mikhail Gorbachev's determination to tighten control of the armed forces.

**GIGANT** Legendary jazz trumpet player (Kid) Théo Valentine, 71, longtime leader of the Preservation Hall band, in New Orleans. Valentine, who rarely used his last name, was a major figure of the New Orleans jazz revival and also performed in Southern and Western Europe, the Far East and South America.



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# The monks of St. Peter's

**I**t is 5 a.m. The gentle clang of the bells of St. Peter's Abbey filters through the monastery and out across the gently rolling grain fields environs the tiny village of Munster in central Saskatchewan. The Benedictine monks in their black cassocks file into chapel, beginning their day, as



Monk with worker looking for something more substantial in life than material things.

they will end it 18 hours later, with prayer. In between slinging their open-podiums and closing vigils, they will run the monastery's sprawling, modern 3,800-acre farm, its computerized peeing pens, a junior college and a retreat house for visitors seeking solace. Said Abbot Jerome Weber, founder of Our 84-member 84-year-old abbey: "Our whole life is built on prayer and work."

Founded around 520 A.D. by Benedict of Nursia, who after his death in 540 A.D. was canonized, the Benedictine order—which has four monasteries across Canada—exists to study, work, meditate, recite and the strong for lifelong moral improvement. But among Roman Catholic monastic orders—which claim approximately 800 adherents throughout Canada—the Benedictines have always differed in the degree to which they balance active pursuits with the contemplative life. Unlike the more frugal Franciscans, who tend

tionally move among the underprivileged wherever they may be needed, the Benedictines—who like other monks have only collective, not personal, possessions—remain within one economic settlement and work to develop its holdings. And unlike the more isolated Trappists and Cistercians, they are

still, for the monks of St. Peter's, the world is never far away. With its grain fields, six granaries, two combines contracted out to local farmers, pigs, chickens and vegetable plots, the abbey is an important part of the local economy. At the abbey's junior college, whose teaching staff includes both monks and lay teachers, 160 students attend classes in part of the University of Saskatchewan's first year of arts and sciences. There are also secretarial and special education classes.

At the same time, St. Peter's, with its illuminated-iron landmark atop its college building, reaches even further afield with its printing press, active since 1892. It publishes the award-winning Catholic weekly *Priests Messenger*, which has a circulation of 22,000. Said editor Rev. Andrew Britz, 47, a native of nearby Lake Louise and one of 27 ordained priests at the abbey: "We want to promote the values of our readers to the possibilities of today's church to work in areas of ecumenism, women issues and the place of the church in the safeguard of social-justice issues." The abbey's press also prints local histories, district newspapers, advertising supplements and French-language publications for the University of Saskatchewan. "We have no salaried," said printing-press manager Rev. Peter Novak.

"We rely on our reputation for our \$40,000 in annual sales."

But despite the abbey's thriving economy—revenues of \$1.9 million last year yielded \$48,000 in profits—it is still a place of peaceful retreat for about 30 visitors on an average summer weekend. "People come here without the interference of the media or the home government," said Brother Gerald Morris, a 61-year-old monk from Plaza, Sask., 160 km northwest of Saskatoon. Among those from the outside world who take advantage of the abbey's peace are the Saskatchewan Writers' Guild, which books regular space throughout the summer for its members who seek a refuge for writing. Native groups also attend week-long courses in basic administration taught by native leaders at the college in conjunction with the University of Regina. And even Anglican, Lutheran and United Church seminarians from Saskatoon attend weekend retreats at the abbey. "They get away from the



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Fabulous.

ng," said Moran. "There is quiet here." For his part, Moran says that those contemplating monastic life should spend some time in the outside world before committing themselves to a monastery. He spent three years as a young novitiate at the abbey from 1985 to 1988, then decided to leave. After 26 years as a hotel waiter in various western Canadian cities he returned to St Peter's and took his final vows in 1988. "I recommended candidates don't come here as teenagers," he told *Mission*, "not at least until they're 25 years of age with a final commitment until 30. Then they have a better idea of it all."

This year the monastery's community welcomed two postulants, or candidates for the order—a 23-year-old Saskatchewan farm worker and a 36-year-old former travel agent from Montreal. Having completed one month of probation, the two novices—an average annual number for the monastery—will study for three years before becoming monks. Two others, having completed their first novitiate year, are scheduled to take preliminary vows next month. But Weber, a sprightly former athlete who chose religion over hockey as a vocation but still skates expertly in his religious garb or the abbey's enclosed community rink during the winter, acknowledges that vows no longer have the power they once did. "These days if someone can't keep it anymore, vows can be dispensed with," he said.

Still, in the past 30 years only one monk has left St. Peter's for the secular world. The monastery also offers the option of total seclusion from the outside. Five hermits—among them, two married in Spartan huts in secluded pine and aspen groves on the abbey grounds. Not most of those who stay find peace of mind in contemplation. Most pray together five times daily, lunch is a silent meal except for a daily reading by one of the monks on spiritual or historical topics. There is time for a short nap before the afternoon's work, vespers and evening prayers. And evening recreation often revolves around the abbey's pool table, television set and reading rooms. Said Moran: "We have to have contacts with the outside. Most of us work with outsiders."

That work now includes providing beds for government-sponsored summer camps for abused children in the monastery's recreation-center dormitory, which has 100 cots. "They used to be for hockey schools, but kids seem more interested in other things," said Moran. "Now it is for abused kids and children of alcoholics. That is a community-on-life." It is also a community on the captions—and successful—integration of St. Peter's with the outside world.

—JON ROBBIE in Missoula

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**NETWORKING**



## COLUMN

# The \$1.2-million sales pitch

By Diane Francis

I was a shambolic corporate junket, a \$1.2-million grand tour of distillery operations in four countries for about 90 people via the Concord super-sleek jet. For six days earlier this month, the boozey cruise was led on by British food magnate Alfred-Lyon's (AL) top high-flying 50-per-cent stake in Canadian maltwhisky distillery firm Hiram Walker-Gooderham & Sons Ltd. The grand tour of Canada and Britain's corporate colonies—Britain, France and the United States—was for the benefit of some of Britain's most influential investors and brokers, who think of Canada, if they think of it at all, merely as a nice place to hunt and fish and ski. Not a place where great negotiations go on.

"Canada is a fairly boring place," analyst Peter Temple of London brokerage firm House, Elliott Ltd. told Maclean's. "Too much land and too few people."

Such brutal opinions belie the fact that the British will suffer from mental myopia when it comes to recognizing that even a society where people are crazy enough to drink up out of Styrofoam cups may have merit. In short, some remain numb, a situation worsened by the fact that Britain leads the pack in economic growth for the first time in many years. But the sober extravagance of the tour attracted Britain's financial muscle-brokers who had never been to Canada and never heard of Hirsh Walker until last year, when AL took control of the troubled company. And AL's clever empire-builders—who own 7,000 pubs and make, among other things, Tetley tea and Teacher's scotch—had more reasons than just celebration for this road show.

The tour of Hirsh's holdings was a great success and everyone had a jolly good time, even though AL's chief strategists and chairmen, Sir Derek H. Brown, logically, said that he "took a lot of stock." There were the extortions of using shareholders' money at a rate of more than \$12,000 per head to hire and dine brokers and the press. But this was British narcissism at its best, the kind of pub handshakes that most Canadians/mathematicians would be well advised to eschew.

The tour's first stop was in Dunbarion, Scotland, where Badenoch's scotch is blended and bottled across from a castle along the scenic Clyde River. It ended six days, five bottles

and four countries later at Cognac's cognac distillery in jolly southern France. Along the way, through Toronto, Windsor and New York City, in sessions on the making of Canadian Club, Kahala, The Moon and a host of other aquavas, the analysts and investors were bashed with facts and figures in sleek, formal presentations. The lesson was presented by three simple and loving words: "It's our duty to do our market research," suggested influential beverage analyst Victor McColl of Kleinwort Grenfell Securities Ltd., in London.

At the end of the tour, he and other important analysts were significantly impressed with Hirsh's operations—enough to increase their estimates of AL's 1987 post-tax profits to close to \$1 billion from around \$875 million—shot in the arm for AL's shares. Sir Derek is eying such speculation. "It's early," he said, "but you can be sure at the age of 55, being brought right into the middle of AL-Lyon House, he is certainly entitled to look ahead."

Ironically, Hirsh's capture has its roots in the ill-fated National Energy Program, which was authored in part by a Reichsmann executive, former deputy energy minister Mickey Cohen. Hirsh was a great multinational until 1981, when it got caught up in the oil fever, paying \$737 million for US oil and gas assets that were actually worth only half that. The blunder made management gun-shy, leading it to clean up debts and acquisitions, tighten reinvestments and save the seeds for its own capture as shares slumped to bargain prices.

The road show was designed to push up AL's share-price value as the strength of Hirsh's holdings, making it easier for AL to buy-out or buy-in at the Reichsmann shares, if it chooses. Last week, AL also announced that it will seek a listing on the Toronto Stock Exchange and sell \$150 million worth of shares directly to Canadians. There is little doubt that Canadians will eagerly snap up AL stock, another ring in Sir Derek's long-term strategy of giving AL the tools to retool the Reichsmann with other acquisitions. As financial observer Peter Temple says, "Logic is, if Hirsh is as good as AL itself, it will want it all at the greatest interest. Part of this whole exercise is to get the stock up. In the long run it will work. Hirsh was badly managed, but it's a good asset."

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# A bitter confrontation

**B**y his own admission, Frank Knight is not a militant trade unionist. Spending 17 years as a post office truck driver in Montreal, he had never carried a picket sign. But when the 20,000-member Local 24000 ordered a series of retail workers to strike across the country last week, Knight did not hesitate to join the picket line outside the main north postal sorting station in the Montreal suburb of St. Laurent. He contends that post office management provoked the strike by demanding major concessions from the union. And like many of his 500 fellow workers, Knight said that he felt anger, frustration and even sadness at having to go on strike. "We didn't want to do it," he said. "But they want to tax everything away from us. What the hell are we supposed to do? I'm 48. I don't want to start looking for another job."

Similar canaries were made by thousands of letter carriers last week as their union staged strikes in at least a dozen cities from Victoria to Halifax. Turnovers are high on the picket line because of the post office's attempt to keep the mail moving.

In Calgary, striking letter carriers yelled "cents, 'tis" and "bastards" as workers hired by Canada Post to replace them crossed their picket line in buses and then dashed into a downtown postal depot. In Halifax, riot police armed with shields and clubs charged with packets who tried to stop bussloads of substitute workers from entering the main post office. All together, 29 workers were arrested across Eastern Canada in picket-line incidents.

In Montreal on Wednesday, at least 100 letter carriers joined hands to form a human chain around the city's main post office. Others blocked traffic with their cars, creating a huge traffic jam in downtown streets. Later these replacement workers were injured when rioters forced their way into a postal station in the city's west end and scattered firecrackers and road flares, causing \$10,000 damage. On

Thursday night the union played its trump card, ordering a walkout in Toronto, where half of Canada's mail is sorted. Letter carriers also struck in other cities and towns in southern Ontario, including Hamilton and St. Catharines. Meanwhile, striking work-

\$122-million deficit by next March, as ordered by the federal government. On Friday, after the union had rejected the corporation's latest offer, Canada Post and the government agreed to appoint a mediator for seven days to help end the strike—and said it would suspend



Police officer struggles with Toronto Mailman, moving the mail into nonunion workers

ers went back to the job in Montreal and Calgary. Said LDC vice-president William Fladig: "We apologize to the public for the disruption, but it could be a long, hot summer." Officials at Canada Post seemed equally maddened. Said Harold Daubar, general manager of labor relations: "For a union that has put itself forward as being interested in service to the public, it's remarkably not showing it."

Neither side appeared willing to make concessions that would bring a quick settlement. Refusing to compromise was during 50 years of cost-cutting bargaining, the letter carriers said that they would settle for none of the changes currently under way, such as a modest wage increase. For its part, Canada Post was determined to wrest concessions from the union on job security and working conditions. Officials argued that the changes would improve efficiency and help ease a

surge of replacement workers across the country and paid them \$10.25 an hour. But the union said that it had allowed the movement of mail to a trickle. In response, Canada Post conceded that "as far as our more aggressive union stance,"

had kept it from reaching its targets in Quebec City, Saint John, N.B., and Moncton. But the corporation insisted in a statement that it "committed to provide delivery services across Canada."

Frustration at the delays, many businesses turned to courier services to move their mail. And some said that the strike, the first at the post office since a 68-day walkout

and bringing order to one of the nation's most popular institutions. "In previous strike situations, the government has come in," said Ontario LDP MP Donald Rossiter. "I don't think they will this time." Still, the government was reluctant to legislate the strike back to work. "It's a legal strike," said Harvey Andre, a union representative for the post office.

By the weekend, though, the letter carriers claimed to be winning the war on the picket line. Canada Post had moved to keep the mail moving, setting a target of daily delivery to businesses and twice-weekly service to houses and group boxes in areas affected by the strike. To achieve that goal, it hired

by inside workers in 1981, had further eroded their faith in the postal system—and postal unions. "Every single worker and business in this country has made adjustments, except the post office," said Jim Balloch, president of the Canadian Federation of Independent Business. "That's unacceptable. Why should they be allowed to do what everybody else has had to take cuts?"

According to the letter carriers, the real cause of the dispute is Canada Post's five-year plan to slash its deficit. Under it, the corporation would eliminate 8,200 jobs out of a total workforce of 82,000; close hundreds of rural post offices and is

allowance to return to mail pickup points for lunch. And newly hired workers would have to use their own vehicles to travel to and from their mail routes, rather than ride public transit or train.

The unions tracer responsibility for the post office's base-line demands—and the resulting strike ultimatum to the feds. Yet government Canada Post's five-year plan, which it developed by government officials, was drawn up by government officials. "Lester [Bennett] got his marching orders from the government," said the LDC's Lang. "It's a political decision that created this situation, and it's going to take a political decision to end it." But Andre dismissed suggestions that the government was orchestrating Canada Post's tactics at the bargaining table. "The assumption," he said, "is that the corporate plan has something to do with the strike—and that's not an assumption I accept."

The outcome of the strike may depend on which side gains the sympathy of the public. Postal unions became unpopular after a series of strikes in the late 1960s and 1970s. But the case has spent \$800,000 on an advertising campaign seeking public support for postal workers. "It's not as easy to park on postal unions as it once was," said Lang. "People are fed up with all the bad government acts in postal service." The unions also hoped that the letter carriers would receive special sympathy because of their family contact with the public and their relatively stable labor relations record. Certainly, McIlroy's quiet and easy-going demeanor contrasts sharply with the militant, almost anti-social, mentality of the 20,000-member Canadian Union of Postal Workers (CUPW), which will be in a less positive position to strike with its three months. For the letter carriers, that means rate and contract changes that would eliminate the union's so-called guaranteed, contract set aside services and make greater use of temporary workers. The post office also wants to remove such privileges as time to wash up after work and a paid time



Montrealized post office last week, Knight (below). "What the hell are we supposed to do?"



MONTREAL: LEFT with MARC CLARK in Ottawa and correspondent's report

# Showdown in Quebec

The showdown had been years in the making. On one side is the Conference of National Trade Unions (CNTU), most powerful and militant labor organization. On the other is the Quebec Police Force (QPF), which has cracked the 220,000-member union with a series of spectacular raids, arrests of union leaders and disclosure of damaging information to the news media. The conflict-

among and libertarians that police may have exceeded their authority in dealing with the CNTU.

The long-standing apparently began in the early 1970s, when provincial police came to the city to pull down a banner banner draped at the nearby Hotel Richelieu hotel in Pointe St. Charles. After business owner Raymond Malleret bought the hotel in 1981, he replaced the pro-CNTU-affiliated workers



Police search-and-seizure operation at CNTU headquarters, recently

tation, said the head of Quebec's largest employers' group, may be a watershed in the turbulent history of labor relations in the province. Declared Gérard Dufour, president of the Council of Presidents: "If the current issue is well handled, it will be a much weaker organization. If it fails, it will be tougher than ever to deal with."

Another arrest by the QPF on June 26 brought to four the number of union officials charged. In addition to the man who was beaten, two others were arrested when the QPF was raiding a police office. Marc Boisvert was arrested on June 5 but was not charged. Ravine has since disappeared from public view, amid repeated allegations that he was a paid police informer for much of his 18-year career in the service. Indeed, CNTU president Gérald Larose charged in an open letter to the provincial government last week that he and his organization were victims of an elaborate police campaign to discredit them. The charges raised concern-

with union workers at reduced wages. Union members picked the band for months, during one protest last October they clashed with QPF officers, and are still angry. Gaston Harvey, died after a policeman applied a choke hold to him. Union president Larose charged at the time that Harvey had been murdered.

A series of police brutalities followed. A provincial coroner later found that the police had contributed to Harvey's death, but government and police inquiries concluded that the tandem did not warrant criminal charges.

The May explosion at the Montreal's Cité du Casino hotel was followed on June 4 by a series of QPF raids on the homes of CNTU officials around the province, the police seized \$8,000 worth of dynamite,

detonators and assorted weapons. Boisvert and three other union leaders were arrested the next day. But Boisvert quickly disappeared, and Montreal media reports—quoting unnamed sources—said that he was an informer working for the Canadian Security Intelligence Service (CSIS), which replaced the now defunct service in 1984. And on June 10 police raided two headquarters in Deloraine Street in Montreal, while a cameraman who had been tipped off to the raid recorded the proceedings.

In his open letter, Larose charged that the police had put the CNTU on trial. And later in the week the attorney general said that the QPF "seized union organizations in the same way as motorcycle gangs." That concern was echoed last week from several quarters—including the Quebec Civil Liberties Union, which is watching the conflict closely. In a statement, the group called on Premier Robert Bourassa to "call the Quebec Police Force to order."

Other observers were even more concerned that police might have placed agents inside legitimate labor organizations. McGill University labor economist Stanley Ingberman told Maclean's that such tactics were "a throwback to a thing of an ugly past." Said Ingberman: "It's totally unacceptable. If they are doing it in one organization, there is no reason to believe they are not doing it in other places." But Dufour, the employers' spokesman, maintained that groups with nothing to hide should not be concerned. Said Dufour: "If people in my organization were found with sticks of dynamite, I would welcome the arrests."

Provincial and federal officials would neither confirm nor deny last week that Boisvert was a QPF agent. But a report to be taken in Ottawa this week by the civilian committee that oversees the agency's activities will raise concerns about its growing emphasis on infiltrating groups that it considers subversive. The committee has also learned that the five-member committee, headed by former Conservative MP Ronald Atkey, will be invited by senior QPS officials on June 28 about the CNTU and Boisvert. Said Atkey: "One is having difficulty distinguishing between subversive activity and solid classical, preexisting or advocacy."

An additional detail of the affair comes to light, that view may gain greater currency:

MICHAEL BOISVERT is Montreal with HELEN MACLENNAN in Ottawa.

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MICHAEL BOISVERT is Montreal with HELEN MACLENNAN in Ottawa.

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# Should The State Kill?

**S**teven Crozier, a retired farmer who lives in Biggar, Sask., is better about the way Canada's criminal justice system works. Almost 20 years ago his wife, Gladys, was killed when the car she was driving was struck by another vehicle. The other driver, says Crozier, was "80 per cent drunk" and yet he was never charged and "never paid any penalty" because the police did not pursue the case. Partly as a result of that experience, Crozier, 62, says that Canadian society treats criminals too leniently, and that a return to capital punishment would help give law-abiding citizens a sense of having "the law on our side." As it is, says Crozier, prison terms served by murderers in Canada are ridiculously low. He adds: "They say, 'I'll just put in my term and go out and be free as birds.'

**Alert.** With Crozier, Canadians in all parts of the country and in all walks of life are alarmed at the lack of moral values around the country. They say that the existing system for upholding law and order is functioning poorly, and may even be contributing to an increase in crime. Those were among the findings of a Maclean's/Deacons poll completed last week. Three out of five of the respondents said that they supported, or favored toward, restoration of the death penalty, which has not been carried out in Canada since 1962 and was removed from the Criminal Code 12 years ago. At the same time, many of those who said that they supported capital punishment were only loosely attached to that proposition. In answer to other survey questions, and in follow-up interviews by Maclean's with a cross-country sampling of 30 of the poll respondents, many also demonstrated that they share an uncertain attitude toward the notion that the death penalty is the right and effective answer to their concerns about violence.

Many of the prevalent concerns about violence were expressed by poll respondent Marjorie Subjeck, a 58-year-old housewife and part-time cleaning contractor in Halifax. "I think it is just getting to be too much," she said. "Every time

you pick up a newspaper or turn on the television, there's another killing. Usually the murderer gets off, or is not given in time. Yet get more for breaking down a barn or a house. The laws are too lax."

Still, the results of the poll—which was carried out just as Parliament debated possible restorations of the death penalty—indicated that two out of three Canadians did not believe that ultimately

Parliament would act to bring back capital punishment. "The overwhelming view," noted Allan Gregg, chairman of Deacons Research Ltd., after analyzing the poll results, "is that the death penalty will never be brought back, but if it is, it will be only for a short time."

**Ambivalence.** The poll also suggested that the views of Canadians on the death penalty are in many ways ambivalent and sometimes contradictory. Typ-



ically, Anna Bay-Harrychuk, a retired Winnipeg nurse, explained that "I believe in God, and you just can't take someone's life." Despite that, she said that she would support execution of murderers who committed premeditated crimes involving cruelty and suffering. The complicated mixture of feelings that Canadians hold on the subject of crime and punishment was reflected in the results of a telephone survey of 1,800 people 18 years or older across the country conducted for Maclean's by Deacons on June 7 and 8. The survey indicated that an overwhelming majority of Canadians—especially women, live-in and older Canadians, and city dwellers—are concerned that the incidence of both violent crime and murder are on the rise in Canada. And 88 per cent of those polled said that they thought capital punishment would be an effective deterrent, encouraging would-be murderers. But analysis of the survey data indicated that there was little relationship between concern about the rising crime rate and a willingness to restore capital punishment. "Unless it would appear," stated Gregg, "that support and opposition to capital punishment are rooted in deep philosophical differences." He said that it appeared that opponents of capital punishment are motivated principally by moral considerations, while those who favor the death penalty tend to believe that it would serve as a deterrent to potential murderers.

**Support.** The poll results also suggested that even though Canadians—when they are asked to say that they support a return of capital punishment, they are not strongly committed to the idea. Of those in favor of restoration, only 36.7 per cent said that they were convinced that Canada should bring back the death penalty, while 54 per cent only leaned toward the idea.

As well, of the 36 per cent who were not fully committed to either side of the issue, more than one-quarter—about 10 per cent of the total population—indicated that they might change their minds. "Clearly," said Gregg, "there is some ambivalence and potential volatility on this subject."

**Hesitation.** At the same time, the poll results indicated that most Canadians are influenced by humanitarian impulses. When they were asked about the risk of innocent people being executed by mistake, 59 per cent of those polled agreed that this was a concern, while

rejection, a method that is widely regarded as more humane than hanging or other traditional forms of execution.

Respondents were also asked if executions should be given special publicity to increase the deterrent value of the act. But 71 per cent said that the death penalty should be carried out with minimal publicity. Still, a few respondents thought that televised executions might be a good idea. "Don't replace Mark & Money or *MASH* for it," said Hans Lorenz, 25, who runs a bussing service in Edmonton. "But you should show executions on TV and get a good look at it."

An analysis of cross-tabulated poll data showed significant demographic differences, with men, Canadians over 45, the less-educated and people with large numbers of children tending to be convinced in favor of bringing back capital punishment. Students, people with postsecondary university degrees and francophones are more likely to be convinced supporters of the death penalty. But the strongest distinctions were on a regional and cultural basis, with 72 per cent of those polled in the three Prairie provinces supporting, or leaning toward, a return to capital punishment, compared with only 11 per cent of Quebecers—the lowest level of support in the country. "The biggest differences are found in the question of the morality of capital punishment," said Gregg. "Prairie Quebecers have significantly more difficulty with that issue than residents of English Canada."

**Morality.** Results of The Maclean's/Deacons Poll suggested that Canadians as a whole are evenly divided over the fundamental question of whether it is morally right for the state to carry out what amounts to legally sanctioned murder by inflicting the death penalty. Asked to weigh a statement to the effect that it is never right for anyone—even the state—to take a human life, 48 per cent of the respondents disagreed, while strongly disagreed with the statement. But exactly the same percentage of respondents indi-

(Results in rounded percentages from a national Maclean's/Deacons survey of 1,800 adults ages 18 to 64. Results account for the whole population within 5 percentage points either way. 10 points in 20.)

another 20 per cent strongly agreed.

All respondents also rejected by a 66-per-cent majority a suggestion that some form of corporal punishment, such as whipping or strapping, be inflicted on those convicted of violent crimes. And when asked to choose what forms of execution should be used if capital punishment were brought back, they showed a strong preference (63 per cent) for lethal

injection, a method that is widely regarded as more humane than hanging or other traditional forms of execution.

Respondents were also asked if execu-

## POPULAR OPINIONS ON CAPITAL PUNISHMENT

(rounded percentages)

- Convicted murderers are allowed back in society too soon 87
- Firmly favor or leaning toward the death penalty in Canada 61
- The death penalty would deter others from murder 61
- Executions should be carried out with minimum publicity 77
- Capital punishment is the only suitable penalty for murder 50
- Innocent people might be executed by mistake 79
- Death should be the penalty for convicted killers of children 78
- Death should not be the penalty for murder in domestic disputes 68
- Parliament will not bring back the death penalty 67
- The death penalty question should be decided by a national vote 74





**Kingsgate penitentiary, Glace Bay (below), fears that too much leniency in the system is contributing to increased crime.**

said that they supported or strongly supported the view that the state should not concern legal murder. Undeaded poll participant Michael Woodrige of Barrie, B.C., "I do not see how law enforcement makes a right. I don't think we're going to accomplish anything by taking revenge."

A similar split showed up when survey participants were asked to respond to the statement that "murder is such a terrible crime, the only suitable penalty is to take the life of a murderer." Although 68 per cent of those polled either disagreed or strongly disagreed with that proposition, 50 per cent supported or strongly supported the statement. "If people take other people's lives," said respondent Wayne Nordholm of Blaine, Sask., "they should pay for it in the same way."

**Compromised:** Respondents who agreed to elaborate on their views spoke to MacLean's reporter after being contacted by Decima researchers who asked them to answer 68 separate questions on capital punishment and related crime and social issues. The resulting data, which were geographically weighted to make regional comparisons possible, reflected the views of Canadians representing all income groups and political persuasions. Statistics consider that a poll of the type carried out will produce results that are accurate for the

whole population within 2.5 percentage points either way, 19 times out of 20.

The findings of The MacLean's/Decima Poll also appeared to bear out indications of a gradual decline in public

support for capital punishment that has been reported in opinion polls taken over the past five years. According to average values for Gallup Canada, support for capital punishment declined to 61 per cent in a poll taken two months ago from 79 per cent in 1982. In The MacLean's/Decima Poll, the same proportion of respondents—62 per cent—either supported or leaned toward restoration of the death penalty. At the same time, 72 per cent of those polled who "leaned" toward or against restoration said that they were unlikely to change their views as a result of the continuing political debate over the issue. That suggested that the base support for capital punishment probably stood at about 64 per cent.

**Influences:** The poll indicated that most Canadians have been heavily influenced in their views by the public debate over capital punishment—although, where people say that they have been swayed, the trend has been toward a hardening of views among death penalty supporters. Altogether, 26 per cent said that during the past several years they had become more inclined to support the death penalty, while 21 per cent said that they had moved in that direction in the past few months as a result of the current parliamentary debate over the issue. But in the same time periods, 84 per cent and 70 per cent re-



spectively of those polled said that their views had not substantially changed.

The MacLean's/Decima Poll clearly indicated that a large majority of Canadians are deeply troubled by a rising incidence of murder and other violent crimes—though at times the public perception of crime rates is at variance with actual offence statistics. When they were asked about crime rates in Canada during the past 10 years, 81 per cent of the respondents said that they believed violent crime in Canada had either increased or increased greatly. In fact, federal statistics show

that there were 661 homicides in Canada last year, down from 668 in 1981—the year that capital punishment officially ended in Canada. That meant that, while Canada's population increased during those years, the homicide rate actually declined to 22 per 100,000 people—the lowest since 1971—from 29 for every 100,000. As well, the murder rate in Canada is still far below that of the United States, where the lower available statistics show that there were 79 murders per 100,000 of population in 1985.

As a result, the position of supporters

of the death penalty is that they would have no difficulty convicting a murder defendant whom they believed to be guilty if the death penalty were brought back, 25 per cent indicated that they would be less likely to convict a criminal who could face the death penalty. "With one-quarter of the population displaying some reluctance to convict those accused of murder," noted Gregg, "this undoubtedly further weakens the position of supporters of capital punishment."

Asked what form of execution should be used—some cited more than one—the responses were clearly favored the three principal methods used in the United States, including lethal injection (40 per cent), electrocution (13 per cent) and the gas chamber (9 per cent). Only six per cent favored hanging, the traditional Canadian method, last used in 1962.

**Penalty:** But as discussions regarding whether capital punishment should or ever will be brought back in Canada, respondents to The MacLean's/Decima Poll repeatedly went beyond those issues to examine the more basic question of how society can be protected without recourse to the death penalty. Some respondents argued that if parole procedures were tightened and prison sentences were made longer, there would be less need for capital punishment. "If I had some assurance that a 25-year sentence meant 25 years," declared Frank Crockett, a retired Whistler public relations consultant,

"then I'd have no hesitation saying, 'Don't bring back the death penalty.'"

Others, like Gertie Dutil, a Sherbrooke, Que., painter, argued that "we have to start with moral and religious education, because almost all criminals have had a difficult childhood, or a bad education or a lack of love." Ultimately, in the search for a way to cleanse society of crime, Canadians may face a choice that centres on precisely these issues—between taking lives or healing them.

—MARK NICHOLS with JULIA BENNETT, VICTOR DUPREE and TOM HEDGES in Toronto and MICHAEL RUSSELL in Victoria

## DIVIDED VIEWS ON PUNISHING VIOLENCE

(rounded percentages)

■ Should Canada bring back the death penalty?

Convinced yes	37%	61
Leaning yes	24%	
Convinced no	27%	38
Leaning no	11%	

■ If restored, the death penalty should apply to killers:

Of children	70	
In terrorist acts	72	
Of police and prison guards	70	
In committing another crime	60	
In domestic arguments	25	

■ Which method or methods of execution should be used?

Lethal injection	49	
Electrocution	18	
Gas chamber	10	
Hanging	6	
No answer	37	

■ Corporal punishment, such as whipping and striping, should be imposed for crimes where the victim is physically abused, as in sexual assaults

■ Corporal punishment should not be used because it is wrong for society to take an eye for an eye and a tooth for a tooth

When respondents were asked to decide what kinds of criminals should be counted if capital punishment were to be brought back, child killers headed the list, with 78 per cent of those polled saying that such people should be executed. That result was followed by terrorists (76 per cent), child abusers (73 per cent), the killers of police officers and prison guards (70 per cent) and criminals who commit murder in the course of some other crime, such as robbery (60 per cent).

A telling poll result on the administration of justice dealt with prevention of larceny. Although 62 per cent of

Serving on a murder trial jury, believing the defendant to be guilty and knowing that conviction would bring the death penalty, you would:

Be less likely to convict	25
Be more likely to convict	11
Convict regardless of the penalty	62

■ The most important issue in deciding whether to restore capital punishment:

Innocent people might be executed if the death penalty is restored	38	
It is never right, even for the state, to take a life, even a murderer's	20	58
Restoring capital punishment might result in fewer murders	24	40
The only suitable penalty for murder is to take the murderer's life	18	

■ Corporal punishment, such as whipping and striping, should be imposed for crimes where the victim is physically abused, as in sexual assaults

■ Corporal punishment should not be used because it is wrong for society to take an eye for an eye and a tooth for a tooth

# DISPUTED DEADLINES

**A**s the debate on Parliament's debate on the death penalty, the government proclaimed its commitment to "a full and open debate followed by a free vote." Conservative MP Douglas Lewis, speaking for the government, said he opened the debate on April 27, said that to force a vote on resurrecting capital punishment "would be contradictory as a matter of conscience." Lewis, the parliamentary secretary to Deputy Prime Minister

Asperworth, "They believe they are losing the debate."

**MPs** Asperworth and other opponents of the death penalty claimed that support for reinsertion is slipping, both inside Parliament and in the country at large. As a result, they said, very advocates of capital punishment wanted to force the issue to a vote before time—and more debate—eroded their support even further. By the time taken, opponents among the opposition Liberals de-

creased opinion surveys in Parliament and across the country indicate the claim that support for capital punishment is weakening. A month before the Commons debate began, a Maclean's survey of MPs recorded 124 in favor of restoring the death penalty and 102 against, with the rest of the 339 sitting members uncommitted or deferring to state their position. But four of the five MPs who came of the floor publicly during early stages of the debate de-



Asperworth (left), Lewis' charges that the Mulroney government "recanted on its commitment to a full and open debate"

Donald Macdonald and himself as advocates of the death penalty, argued all MPs to deal with the divisive issue "in as calm and thoughtful a manner as possible." But this last week, after five sporadic rounds of speedreading during the past two months and a bitter dispute over deadlines, the House of Commons came under government pressure to close down debate and bring the issue to a vote as early as this week. Liberal Lloyd Axworthy charged that the pressure was exerted by the majority of government MPs who wanted to bring back the death penalty. Said

and New Democrats used procedural tactics in an attempt to prolong debate and stave off a showdown. Said New Democratic Party House Leader Nelson Rile: "With time goes education, and with education on the issue there's a tendency to become thoughtful. To what extent parliamentarians take sides of the argument is not clear, but I expect when the debate begins [Conservative William Danner, the Peterborough, Ont., Tory MP who led the campaign for the restoration of capital punishment] the vote could change the outcome."



Axworthy claims that the Mulroney government "recanted on its commitment to a full and open debate"

MPs themselves opposed to the reinsertion, being debating it would continue the Commons' principle to bring back capital punishment and without a general committee of MPs to recommend which offence or offense should carry the death penalty" and "which method or method of execution should be used to carry out the penalty of death."

**MPs** Since those public shifts to the anti-reinsertion camp, older MPs are reported to have moved more quietly into the opponents' camp. Among those are as many as five Liberals who once supported the resolution and Toronto

Tory David Crombie. All 30 NDP members oppose the resolution. As well, opponents of capital punishment were counting last week on the intervention of a powerful ally to help sway wavering Tories to vote against the resolution—Prime Minister Brian Mulroney.

Late last week a press statistician said that Mulroney planned to join in the debate. No member of the cabinet had spoken during earlier stages. Mulroney, whose 1984 election promise brought about the current debate, has been an eloquent opponent of bringing back the death penalty. He continues that the practical arguments in favor of capital punishment are not persuasive, asserting that there is no credible evidence that executions have had

any effect on preventing capital crime. Mulroney also argues against the death penalty on moral grounds—that there is no justification in taking a life except in extreme cases of self-defense and that it is an affront to the state as it is for an individual to take a life.

**MPs** These and similar arguments have been presented repeatedly by less eminent politicians than the Prime Minister—during the total of about 12 hours of debate so far since June 4 April. In large part, the arguments have been repetitions of those espoused with more passion and drama in 1975, when Parliament voted narrowly after years of heated debate to erase capital punishment from the Canadian Criminal Code.

Since that time national opinion polls have consistently indicated that as many as three Canadians in four support the reinstatement of capital punishment for murder. But more recently, that support has appeared to decline sharply. The Maclean's/Decima Poll conducted earlier this month indicated that only those in eight Canadian provinces say that they are convinced that Canada should bring back the death penalty. Such statistics undermine the argument of MPs that, by pressing for a return of capital punishment, they are reflecting the will of a substantial majority of citizens.

As tallies of poll results in the indicators that most Canadians are in favour of Parliament's ability to determine to take such harsh law-and-order policies. Two out of three respondents predicted that Parliament would not reinstate the death penalty. And three out of four said that in any case the issue should not be left to

## PARLIAMENT'S ROLE AND THE DEATH PENALTY



(rounded percentages)

■ Will Parliament vote to bring back the death penalty?

Yes	28
No	67

■ How do you expect your own MP to vote on the death penalty?

To restore capital punishment	12
Against capital punishment	19
MP undecided	21

Respondent does not know 47

(An updated March poll of MPs by Maclean's last week showed 44 per cent of MPs were for reinserting capital punishment, 32 per cent against, 14 per cent uncommitted, 9 per cent no response.)

■ If your MP's stand on the death penalty differed from yours, would that alone make you vote against him or her in the next election?

Yes, would vote against	25
No, would not vote against	73

■ Should the capital punishment issue be decided by all the people in a national vote or by our elected representatives in Parliament?

National vote	74
Parliament	26

■ After speculation that the Senate might reverse any House of Commons decision to restore the death penalty, would you say:

The Senate should never have such power	47
The Senate serves a useful purpose	50

■ Respondent positions on capital punishment by party affiliation:

PC	LIB	NDP	None	Other
Favor/leaning to death penalty	68	61	55	56
Oppose/lean against capital punishment	31	37	44	42
All respondents	24	31	19	25

politicians, but should be settled instead by a nationwide plebiscite.

On the other hand, the poll results indicated that 67 per cent of the respondents who go against their constituents' wishes in the vote on capital punishment would not be in political jeopardy as a result. A significant 73 per cent of the respondents said that they would not vote against their MP in the next federal election simply because the legislator's position on the question differed from their own. "If my MP voted against reinsertion, I would still vote for him," said poll respondent John Stewart, a retired air traffic controller who lives in Vernon, B.C., and who says that he would like to see a return to capital punishment. "He has to represent a lot of people, not just me. And he has his own conscience to live with."

**Sticks** Far more on either side of the capital punishment debate, the poll suggested that the position holds sway by name. Indeed, some parliamentary strategists indicated last week that the government's tactic of pressing for a vote before Parliament's scheduled summer recess on June 30 was designed to unify both sides of the warring camp in the "big cause." By threatening to invoke a closure rule to curtail debate and force a vote, Macdonald and Lewis gave in to pressure from backbench Tory advocates of capital punishment—and the voters who support them. At the same time, by agreeing under pressure from opponents of capital punishment to permit debate to proceed this week and by scheduling Mulroney's speech, the government cushioned northerners that it had reneged on its commitment to a full, fair and free debate.

Still, opponents of the government tactic said that they feel cheated. Said Axworthy, referring to the government's threat to invoke closure: "That is the first telltale sign of an authoritarian mind—that they are afraid to put their own ideas and their own commitments out for public exposure."

—ELIOT MACKENZIE in Ottawa

# DOUBTS AND DIVISIONS

**A**mong the three out of five Canadians who either solidly support bringing back capital punishment or who lean toward that position, there is no clear-cut profile of a typical offender. Nor is there a typical abolitionist. But in their broadest outlines, based on The Maclean's Decade Poll and follow-up interviews with 40 of the 1,860 respondents, the two groups display a clear-cut Canadian duality. The person most likely to voice the majority position in favor of capital punishment is an English-speaking Protestant from the West who votes Conservative and the person most likely to oppose the death penalty is a French-speaking Roman Catholic who lives in Quebec and votes Liberal. And Michael Stasiuk, 45, a drywaller from Chilliwack, B.C., who says that he favors the death penalty: "Generally, the way things have been going, nothing else is going to deter them. The system is too lenient on criminals." But Gérard Dutil, 40, a painter from Sherbrooke, Que., declared: "The Bible says I shouldn't kill, so I see no justification for doing it."

What's but more striking than their differences are the views that both sides share—namely the belief that violent crime is on the rise and that the current justice system is incapable of stemming it. "I believe strongly that every life is vital and should be preserved," said Frank Crockett, 68, a retired public relations consultant from Winnipeg who, despite his belief in the sanctity of human life, says that he reluctantly supports a return to capital punishment. That ambivalence turns up consistently beneath Canadians' basic position on capital punishment. And as will be concerning the topics of language, regionalism, politics and religion, The Maclean's Decade Poll provided relevant

data on the way in which respondents' opinions relate to such factors as sex, education and levels of income.

Overall, only 37 per cent of those polled said that the death penalty should be brought back, with 24 per cent leaning toward that stand. Roughly 50 per cent of those people said that violent crime and murder have increased over

recently the death penalty, compared with 38 per cent of English Canadians. But although 46 per cent of English Canadians said that the state should not take a life under any circumstances, a significantly higher number of French Canadians—51 per cent—voiced that opinion. The regional divisions are even more telling: 72 per cent of people living in the Prairies said either that they favor capital punishment or are leaning toward it, compared with only 51 per cent of Quebecers. And although 75 per cent of Quebecers said that violent crime has increased recently, 56 per cent of those in Prairie provinces agreed.

**Wrong:** Rollups also has a hearing on attitudes about the death penalty, with Protestants in general—and Anglicans in particular—more likely to favor it than Catholics. Fifty-six per cent of Catholics said that it is wrong to kill in any circumstances, compared with 42 per cent of Protestants and 41 per cent of Anglicans. As well, far more Anglicans said that they favor the restoration of capital punishment than Catholics: 46 per cent compared with 30 per cent.

Education and sex both evidently helped to determine poll respondents' opinions. Sixty-four per cent of those with some high-school education and 68 per cent that they have or are leaning toward the death penalty, compared with 59 per cent of those who oppose restoring the death penalty. And four out of every five Canadians who are against capital punishment say that murderers are being released from prison too soon.

**Firms:** The most striking differences in opinion are drawn largely on linguistic and regional lines, with the first two-thirds speaking French and living in Quebec. Thirty-two per cent of French Canadians said that Parliament should

the past decade—but no do 72 per cent of those who oppose restoring the death penalty. And four out of every five Canadians who are against capital punishment say that murderers are being released from prison too soon.

**Firms:** The most striking differences in opinion are drawn largely on linguistic and regional lines, with the first two-thirds speaking French and living in Quebec. Thirty-two per cent of French Canadians said that Parliament should



Proposition: If you're capital punishment right, wash your hands!

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## COVER

en said that they are leaning toward the death penalty compared with 16 per cent of men. As well, more women than men—31 per cent compared with 26 per cent—said that it is wrong to take a life under any circumstances. And 83 per cent of women, compared with 75 per cent of men, said that they are concerned about the possibility of executing innocent people.

Among the 37 per cent of respondents who most strongly supported the death penalty, pollsters found that many expressed mixed feelings. Anne-Marie Lallierand, 38, an accountant from St. Jean sur Richelieu, Que., said that she is against capital punishment because of the chance that an innocent person might be killed and because "it is a very primitive way to carry out justice." But despite that, Lallierand said that she favors死刑 for serious crimes. The poll showed that although 76 per cent of respondents favored executing child-murders, only 26 per cent supported the death penalty for people who had killed someone during a domestic dispute.

**Disgust:** Those most in favor of capital punishment expressed the greatest disgust with what they see as a growing wave of modern engulfing Canadian society. Declared Cyril Hyens Jr. of St. John's, Nfld.: "It seems like there's no slowing down the crime rate in the past 10 years, especially dealing with murder and terrorism. The law considers just protects the guilty, so I figure capital punishment might just switch a few heads." Almost without exception, people most in favor of capital punishment cited B.C. serial murderer Clifford Olson and Wallace MacRae, 25, a retired truck driver from Hudson's Hope, B.C.: "He should be taken out and hung, shot or drowned in public."

Outrage over a legal system that rarely sentences jail is also extended beyond the ranks of those who said that they favor the death penalty. At the same time, 67 per cent of those who favor execution said that they are concerned that they might result in the death of innocent people. But the two escape in belief in capital punish-

ment as a deterrent to potential murderers. Eighty per cent of those who favor the death penalty said that it will deter murder, compared with 22 per cent of those who oppose capital punishment. And regardless of their basic opinion on capital punishment, 21 per cent of people with household incomes under \$10,000 a year said that they believe in deterrence, as opposed to 11 per cent of those earning \$30,000 to \$39,999 and 30 per cent of those earning \$50,000 or more. In addition, the view is held by 73 per cent of high-school dropouts but only 37 per cent of university graduates.

**Critics:** Housewife Racine Chapman, 27, of Moncton, N.B., said that she is against capital punishment because of

various violent crimes, including attempted murder. Said Ryder: "When I was 16 or 17, before Trudeau turned over the capital punishment law, it didn't deter criminals. They were still out there doing it."

In addition to their views on deterrence, abolitionists and those leaning toward abolition are most likely to state their concern that innocent people could be executed if the death penalty is restored. Said Raymond Lawrence of Victoria, a retired civil servant: "There have been so many wrongful executions, and until we have no more I don't think we have the slightest justification for capital punishment."



Lallierand's mixed feelings about guilt, innocence and 'a very primitive way to carry out justice'

for capital punishment but is ambivalent on the question of deterrence. "I'm not sure whether it would deter anyone," she said. "You hear about three different stories on the news. But it might." Added Lynn Syring, 41, a Shetland, N.S., court clerk who said that she supports capital punishment: "I know there are arguments both ways, but I do feel it would be a deterrent. It's just got to be. Either capital punishment, or maybe much longer sentences with hard labor." But one man with special credentials disagreed with that view. He is Alfie Ryder, an animal breeder from Toronto, who has spent more than 18 of his 42 years in jail for

Yolande Bigot, 27, a housewife from Lévis, B.C., declared: "One doesn't prove killing is wrong by killing other people. People seem to want to bring back capital punishment because murderers are let out too soon. If that is the case, the system must be changed, but we don't need the restoration of the death penalty." Although The Macdonald-Tweedie Poll on capital punishment indicates that most Canadians disagree with that conclusion, it also shows that the country is almost unanimous in the belief that the criminal justice system is badly in need of reform.

—JOHN BAKER in Toronto



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**Environmental activists and children** facing the threat of extinction as the authorities roll into their ancestral lands

## WORLD

# An imperilled people

**T**hey live in rocky mountain peaks in forests and hills straddling the Brazil-Venezuela border, deep in the heart of eastern Amazonia. They share houses and, instead, decorate their bodies with the crimson dye feathers and fangs. They hunt—and fight—with bows and arrows, and still use stone tools. First identified by explorers in the 18th century, they are known as the Yanomami (or humanity). Indians, and at 26,000 strong they are the largest remaining primitive group in the Americas. But the state of their region—the scrub-covered Surinam ridge overlooking the dense rain forest on the Brazilian side of the border—is also believed by some to be a veritable Eldorado of gold, diamonds, oilseeds, titanium and tin. And a new government plan to develop the Amazon, including Surinam, has set off a heated debate over the very survival of the Yanomami.

For the two-year-old civilian government of President José Sarney, the treatment of the Yanomami is a test case of his handling of the vital Amazon issue. Sarney has promised to develop Amazonia without destroying it. As part of his plan, he has approved a

military-run program called *Cálio Norte*, or Northern Frontiers, whose existence was officially disclosed to the world last year, and aims at construction in the Amazon basin. The program is designed to establish a string of army outposts along 6,500 km of northern frontier, both as a security measure and as a vanguard to settle-out. But many critics argue that *Cálio Norte* would damage the wilder-

ness ecology and be tantamount to genocide of the Yanomami. In fact, some critics say that the Sarney government's program, which includes the encouragement of the agricultural-forestry private sector, has been more indifferent to the fate of Brazil's Indians than past military regimes.

In one sense *Cálio Norte*, financed entirely with Brazilian funds—has provided a new sense of purpose for the military, which gave up power in 1985 after ruling Brazil for 22 years. Army officers cite a number of security threats. To the west, they say, they want to guard against incursions by the left-wing guerrillas of Peru's "Shining Path" and Colombia's M-19 movement, as well as against drug traffickers. To the north, territorial disputes between Venezuela and Guyana could spill over into Brazil, while Surinam's military regime is considered a destabilizing influence. Above all, military planners say that they want to isolate Brazil from the conflicts that lie even further south in Central America.

Under the *Cálio Norte* program, each of the four military outposts planned so far is to be occupied by 70 soldiers and their families. In total, the outposts are to lead to such projects as new high-



ways and electrification, and to help to populate the area with tax-paying citizens. At the same time, the military has promised to aid the Yanomami who live in Surinam, Brazil's northernmost federal territory. Some anthropologists say that if the army makes good on its promise, *Cálio Norte* would provide improved health care for the Indians and curb the independent prospectors whose advances have often proved disastrous to Amazonia's tribes.

Romão José Filho, director of the state Indian affairs bureau, FUNAI, maintains that his agency now has increased power to help the Indians. FUNAI officials also want to accompany soldiers on patrols—where they will encounter naked Indian women—and advise them to keep their distance. "The army doesn't know the aggressive capacity of the Yanomami," said Francisco Boaventura de Lóis, head of the rural post at Suramau. "They are a warlike nation, and if the soldiers attack them, the Indians will kill them."

José Filho said that the Cálio Norte plan also guarantees Indian territory in Amazonia. Although as area almost twice the size of Nova Scotia has been previously set aside for the Yanomami and closed to outsiders since 1972, the Indians are not yet protected by a legal reserve. Since 1979 the Commission for the Creation of the Yanomami Park, an independent group financed by the Norwegian government and a British charity, has been pushing for legal recognition of a roughly bounded ecological and Indian sanctuary, and a bill proposing the park has been tabled in the Brazilian Senate. Recently, the interior minister Costa Cunha said that Sarney would issue a presidential decree creating a Yanomami reserve later this year.

But Indian support groups—chief among them Roman Catholic bishops of the indigenous Council of Missions (cnri)—remain skeptical. "The government and FUNAI always make promises," said Juálio Giger, a cnri official in Beirute, "but when have they ever delivered?" Giger cited the case of the Waiapi-Arosi Indians, whose reserve was created by presidential decree in 1971, only to be broken up in the late 1970s—also by presidential decree—to allow private development of a tin mine. cnri officials say that *Cálio Norte* is merely the wedge of a master plan to develop Am-

azonia, at the expense of the environment and the Indians. And Giger noted that other projects are proceeding, including a string of massive dams that, according to preliminary studies, will adversely affect many Indian areas.

Yanomami leaders also were worried. "I don't think we can live with the army posts," said Daus Xixana, a well-known leader who works for FUNAI. "If we allow them, they will fill up the area, leaving it all to stop us hunting or fish-



Amazon gold-mining prospectors leave a trail of destruction

ing without the involvement of Indians, because the government had let in a flood of settlers, lumbermen and prospectors before establishing reserves for the area's Indians. The bank, which had awarded \$34 million for the demarcation project, received payments only after the government hurriedly completed the paperwork for the reserves. Still, Betty Mandim, an anthropologist who conducted a São Paulo University evaluation for the bank, said that more than half the Indian areas were not protected by the project, which she dubbed a "disaster."

Now the Inter-American Development Bank (IDB), which lends funds for development in Latin America, has also begun to question aspects of the involvement in the Amazon. After the World Bank refused to finance a 500-km extension of a highway from Rondonia northward to Acre state, the IDB stepped in with a \$70-million loan. The bank also helped finance the process of settling with Indian lands in the area. But just before the government finally halted that effort, Andean Indians have been trying to complete the extension, east past before any new reserve can be legally protected. As a result, the U.S. treasury department has suggested that the IDB suspend funding, and Indians fear that the bank may do just that.

More without the involvement of international banks, the Cálio Norte battle seems likely to intensify. Although early geological surveys have been disappointing, Brazilian Air Force Minister Octávio Mororo Lima insisted recently that there is enough mineral wealth buried in the Cálio Norte area to "wage about all our \$18-billion foreign debt." With an apparently at stake—and the Yanomami settling inconveniently on much of it—even many support groups say that the Yanomami cannot resist change entirely. They view the proposed reserve as the Indians' best hope for survival. "We want the Yanomami to adapt without being exterminated," said Ciro Taunay, an Indians missionary. "It will take them some generations to progress from the Stone Age to the satellite age." Whether they get that chance may depend on the power—and the priorities—of the Brazilian government.

—ROD LEWIN with ENRIQUE HUARÉ  
for *Vista Brasil*



## "Lord, teach us to pray"

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**Students fighting police in Seoul riots and the prospect of martial law**  
**SOUTH KOREA**

## Dark days of rage

**B**y the time of thousands they ran—paged through the streets of Seoul, throwing rocks and granite boulders at windows of homes and police. The police responded with hammers of pepper spray to gas. But at one point under the imposing Bank of Korea—the nation's central bank, the otherwise unarmed police ran low on gas, and the rioters—mostly students—seized their helmets and shields and hurled them. The street fighting, which raged throughout last week, flared not only in Seoul but in key provincial cities around South Korea. And on Friday, Prime Minister Lee Han-kay warned on television that if the protests continued, the government might be forced "to make an extraordinary decision"—an apparent reference to the imposition of martial law.

That did not happen later that Tuesday, a city south of Seoul, demonstrators drove a commandered bus into a group of policemen, killing one. The protests, blocking demands for constitutional reform, may finally be having an impact on the authoritarian government of President Choi Doo-sun. On April 16, Choi suspended discussions with the opposition Republican Democratic Party (RDP) about constitutional changes that would allow direct election of presidents. Then, on June 16, Choi named former army general Roh Tae-woo to succeed him next February after an electoral college poll, which critics say would be weighted in favor of the ruling Democratic Justice Party. Last week, after

10 days of rioting, Roh insisted that the April 16 decision "cannot be revoked," but he added that "we are ready to consider the people's aspirations for the revision of the constitution."

He was under increasing international pressure to do just that, particularly with Seoul's Summer Olympic Games scheduled for September, 1988. Last week, President Ronald Reagan sent a letter to Choi, urging him to take steps toward full democracy.

The depth of South Korea's discontent is evident not just among the radical students but also among the usually tranquil middle class. Last week office workers and shopkeepers joined in the demonstrations to express their frustration over a political system that has bestowed economic blessings but little freedom. In the past, said export manager Kim Kyu-rye during one Seoul protest, "I was afraid to talk." He added, "Now, you tell the world China is no good."

It remains unclear whether government hints of conciliation will defend such attitudes. Last week RDP chairman Kim Young-sam called on students to refrain from violence. But observers say that the students may not respond to the calls of the moderates. One signal will emerge this week as students leave their campuses for summer vacation. But it will clearly take far more than the closing of school to end South Korea's dangerous days of rage.

—SELENY LINTON with LIN MISHRAH in Seoul

## AUSTRIA

# The Pope's precedent

**T**he invitation came as a surprise—and to some, a shock. Last week the Holy See announced that Austrian President Kurt Waldheim would be a guest of Pope John Paul II at the Vatican on June 25—his first official foreign visit since his election a year ago amid allegations that he had been involved in Nazi war crimes. But the invitation was not what is seemed. Indeed, it appeared to be more a matter of protocol—the acceptance of a 1983 invitation to then-president of Austria, Rudolf Kirchschläger—than an invitation to Waldheim himself. Still, there was an immediate response to the announcement. In Austria, which is 95 per cent Roman Catholic, there was jubilation. But in Jewish circles throughout the world, there was outrage. In New York, Elie Wiesel, chairman of the World Jewish Congress, described the Waldheim visit as "a tragedy for the Vatican and a sad day for Catholic-Jewish relations."

For Waldheim, the planned Vatican visit was a personal satisfaction. Since his election in June, 1986, other western leaders have shunned him. On April 27, U.S. Attorney General Edwin Meese placed the former secretary general of the United Nations on an immigration watch list, which bars him from entering the United States. Meese said that he took that action because of evidence that Waldheim had participated in the persecution of Greek and Yugoslav civilians while serving as a German army intelligence officer during the Second World War. But the Pope is likely to come under more criticism from Jewish groups for what they claim is his inconsistency to Jewish issues. Said Steinberg: "This is the Pope who met with [Palestine Liberation Organization leader Yasser] Arafat. This is the Pope who refuses to recognize Israel."

During an official visit to Washington last month, Austrian Chancellor Franz Vranitzky failed to persuade U.S. officials to remove Waldheim

from the watch list. The day before the Vatican announcement, Austrian diplomats in Washington delivered a formal note demanding the lifting of the ban on Waldheim for lack of evidence.

Reports of the Vatican visit—appearing as June 14, the Catholic Feast of Corpus Christi and an Austrian national holiday—made front-page headlines throughout the country. But although most Austrians, especially those in the conservative countryside, cheered the announcement, Austrian radio passed out that the Pope had little chance to invite Waldheim.

During the papal's 1988 visit to Austria, he issued a religious invitation, and, with another papal trip to Austria due late next year, protocol demanded that the Austrian president—whichever he might be—should visit the Vatican.

As well, it appeared that power struggles within the church hierarchy have influenced the Vatican's decision. Last year the Pope made a controversial appointment, naming conservative Herman Greer as Archbishop of Vienna. Then, two months ago the Pope chose another conservative, Kurt Kren, as Greer's successor. When Kren arrived at St. Stephen's Cathedral for his ordination as bishop on March 8, two pallbearers had in carry him over the prostitute bodies of Catholics who were trying to bar him from entering the church. Despite such opposition from within the diocese, Waldheim supported both appointments. And now some Vienna Catholics say that his Vatican visit may be his crowning achievement.

Waldheim's Vatican visit will almost certainly sour Catholic-Jewish relations as much as Arafat's 1988 meeting did. And while it may bolster Waldheim's tarnished image, the visit does seem to signal that the Pope has taken a stand in his wartime role. A Vienna official said that there had been "no consideration of Dr. Waldheim's past, nor as I knew."

—SERGE MARKSTEIN in Vienna

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FROM

## UNIVERSAL PICTURES

JUNE

A comedy about a typical family and the unusual house-guest who changes all their lives

## HARRY and the HENDERSONS

John Lithgow, Karen Peter Hall, Melinda Dillon, David Suchet, Joshua Radin, Don Ameche, Laraine Keeler

★

JUNE

A contemporary action comedy of cats and snobbers

## DRAGNET

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CHRISTOPHER PLUMMER  
HARRY MORGAN  
DABNEY COLEMAN  
directed by TOM MANKIEWICZ

★

JULY

This time it's personal

## JAWS THE REVENGE

Lorraine Gary, Lance Guest, Marc Van Peebles, Karen Young and MICHAEL CAINE directed by Joseph Sargent

★

JULY

## NORTHSHERE

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MACLEAN'S/JUNE 19, 1987 29

# Tension in talking

**W**ith less than 5½ months left before Canadian and American negotiators must present a free-trade agreement in the U.S. Congress, there are still "big rocks to move" and "bullets to bite," according to Canada's chief negotiator Steven Belman will not reveal the precise nature of the problems plaguing the talks, but some parliamentarians contend that understaffed, overworked U.S. negotiators have not had time to respond to Canadian proposals. And other observers argue that personality conflicts are causing trouble. Belman and his immediate superior, International Trade Minister Pat Carney, are widely reported to loathe each other while, other informed sources say, Belman and his U.S. counterpart, Peter Murphy, are barely on civil terms. Then, last week, amid a Belman-Murphy bargaining session in Washington, it became apparent that the talks have hit some serious obstacles. Prime Minister Brian Mulroney postponed a June 22 meeting to discuss free trade with the premiers because the United States had not responded to several key Canadian demands, and there was no draft agreement to show the provincial leaders.

After 11 months of negotiating, major differences still separate the two countries on most of the principal issues. As a result, the negotiators are facing increasingly intense pressure to produce an initial agreement by early October in order to meet congressional deadlines. At the same time, the Manitoba and Ontario governments are raising their concerns about the outcome of the talks. Manitoba provincial trade representative Robert Adams says that the federal government has not answered fundamental questions about how an agreement will be implemented if it touches on areas of provincial jurisdiction. And Ontario Pro-

vincial David Peterson frequently complains that Ottawa is withholding critical information from the government. "The big question is what would you give up," Peterson told MacLean's. "These are the decisions. If they have been made, we don't know about it."

According to two provincial trade

ministerial trade negotiation office under Belman. American negotiator Murphy has a group of about five people directly under him at the Office of the Trade Representative. Beyond that, he has access to a network of about 40 officials in other departments who are working full time on the trade talks



Belman: personality conflicts, provincial concerns and the trade talks near the deadline

representatives, the talks are becoming bogged down not only because of the complexity of the issues on the table but also because the U.S. negotiators do not have the same resources as their Canadian counterparts. They say that Belman has not had responses to proposals or counterproposals on such major issues as U.S. trade law, industrial subsidies, regional development subsidies, trade in services and non-tariff barriers on agricultural products. And one Canadian representative, "A whole bunch of issues have got to a certain stage, but we can't get any further until the Americans come back with an equivalent response."

The U.S. team is both smaller and far more decentralized than Canada's

Another 60 officials, scattered throughout the civil service, devote some of their time to the negotiations. Belman, however, has assembled at least 100 bureaucrats from various federal departments to work full time under him. He has access to the Prime Minister, meets regularly with the cabinet and briefs a committee of deputy ministers.

Some leaders downplay the role of personalities in the negotiations. One provincial trade representative well-acquainted with both Belman and Murphy said that the Canadian is aggressive, belligerent and pushy while the American is quiet and low-key. "If they stood on opposite sides of the table and yelled at each other, we would

probably have a problem," he said. "But I don't see that happening." And a senior official in Belman's office said that the negotiators have developed a healthy mutual respect. "No body gets mad at anyone," he said. "But there are some very fervent confrontations on some issues."

The same official also argued that each formal bargaining session is a complicated ritual for Belman and Murphy. "It's a very real scene, each chief negotiator has two negotiations going on at once," he said. "One is with the other guy. The other is with his principles." Following the day-long formal sessions, Belman and Murphy usually have a heads-of-delegation meeting over dinner, accompanied by

lobbyists who has no influence in his home town." The same official cautions that Belman's relations with Carney are almost nonexistent. If it were a marriage, the two would be in the middle of very bitter divorce proceedings, the advisor said, adding, "Cabinet briefings tend to be not the most crisp and organized events, in no small part because of the two of them."

For some provincial trade officials, the informal discussions between heads of delegations are a major source of anxiety. Those who will discuss the negotiations say that Belman keeps them well informed about what happens at the formal meetings. Following each session with Murphy, he

similarly warned that Ottawa might barge away the Canada-U.S. Auto Pact without fully consulting Ontario. But one Ontario trade official conceded that the federal government could not negotiate effectively if it revealed how much ground it is prepared to yield to the United States.

If the two sides reach an agreement, the approval process is clearly defined in the United States. The Reagan administration is negotiating under a so-called fast-track authority from Congress, which expires on Jan. 3. An agreement must be presented to Congress in early October, 90 days before the deadline, to allow for public hearings. After that, the House of Representatives and the Senate must approve or reject the package in its entirety within 60 days.

For its part, the Mulroney government has no agreement with the provinces on approval of any free-trade deal that touches on both federal and provincial jurisdiction. Said Bruce Phillips, the Prime Minister's communications director: "The Canadian government has the acknowledged constitutional power to make international agreements that bind the country." Still, a free-trade pact would likely be submitted to a joint Senate-Commons committee for review or it would be the subject of a parliamentary debate, he said. But Phillips added that the prospect of a single premier likely would not prevent the federal government from signing an agreement.

On the other hand, Peterson has insisted all along that the provinces have a veto. And Manitoba representative Adams said that his government is becoming increasingly alarmed about the role of the provinces in approving and implementing an agreement. With many major issues still unresolved, a deal can only be reached after fierce last-minute bargaining and compromise, he said.

As a result, the negotiators may set have week time to consult with the provinces. Adams said that the Manitoba government has raised these concerns on several occasions but has received only vague assurances from Ottawa. And even if the federal government can impose a trade agreement unilaterally, it is clearly in its interests to overcome as much of the provinces' opposition as it can. But the provinces are still waiting to hear how much time will be allowed for public review and assessment of any agreement—or, indeed, whether any amendments at all will be possible.

—FRANCIS ROUSSEAU WITH DAVID ADAMS IN WASHINGTOM, MARGARET DOUGLASS AND MELISSA MACKEENIE IN OTTAWA AND ALICE WILDEY IN TORONTO



Murphy: regards of respect and tolerance between the two chief negotiators

one senior official each. These informal talks sometimes last after midnight. "That's where a lot of the serious work is done in a very interesting way," said one recent participant. "It's this business of trying to understand what the other guy's bottom line is, and give him a sense of where yours is."

But other observers speculate that a prickly personal relationship between the two top negotiators is hindering the talks. "The relationship between Belman and Murphy is very bad," said a longtime member of the Prime Minister's "One of them [Murphy, who is 38] thinks the other guy is a pompous old bug, and the other [Belman, 58] thinks the other guy is a young

brash provincial official through a conference call or at a meeting of the continuing committee on trade negotiations. They go over the agenda of the meeting and what each side proposed.

But Ontario's Peterson, for one, said that neither Belman nor his political superiors are telling the provinces what trade-offs they are prepared to make in the negotiations or what fall-back positions they have adopted. "They are hiding behind the details," said Peterson. "We don't know because they don't know what's going to happen on the big issues." Peterson expressed his concern in a May 25 letter to Mulroney, which was reported last week in *The Toronto Star*. He said that he is per-

# Belzbergs on the prowl

With the Belzbergs of Vancouver purchased Seavill, Conn.-based Seavill Inc. in 1985 for \$740 million, many analysts predicted that the bold gamble would be the family's financial undoing. But it now appears that they have turned the Seavill move into a major victory. On June 1 a U.S. subsidiary of the Belzbergs' Vancouver-based First City Financial Corp. paid off two of Seavill's units—Netline Inc., which manufactures automobile chassis, and Yale Security Inc., which makes locks. But when the British firm Valerio PLC offered \$624 million for the two firms last month, Belzberg said, he could not turn it down. Analysts who calculated the total revenue generated by掌管着 Seavill at \$882 million also



Samuel Belzberg: a profitable takeover and a growing family empire.

The current push to expand the First City corporate empire, which currently boasts assets of \$6.6 billion, is the result of lessons that the family learned when it ran into trouble over its ambitious takeover of Seavill in 1985. Belzberg said last week that the family initially made a number of mistakes. In fact, he added, if the family structured the deal properly, Seavill, a medium-scale manufacturing conglomerate, could have generated the steady income that it is now looking for from future acquisitions. First City financed the Seavill deal with \$288 million of high-interest bonds, but Seavill's management, said Belzberg, did not co-operate in selling off the company's weaker units rapidly in order to cut the financing costs. Said Belzberg: "If you don't move quickly, people think that there is something wrong with the assets."

The Belzbergs parachuted new managers into Seavill in 1986 and began selling off its assets. Belzberg and that

assumed that the Belzbergs still have Seavill's Apparel, Packaging division to sell. In the end, said Belzberg, despite the early problems, the Seavill deal was successful "in a profit sense."

The Belzbergs' takeover strategy has generally been to take a management-share position in a troubled company, then use First City Capital Corp.'s expertise to turn the company around and make a profit in the process. In the case of Cere-Mark, the Belzbergs joined with a group of Australian investors to take control of the firm, which distributes cigarettes and personal care items across North America. Under a complicated formula, First City Capital Markets Ltd. and Canada-York Resources Inc., a shell company which is listed on the Vancouver Stock Exchange and controlled

by the Belzbergs, will hold options on one million non-voting Cere-Mark shares at \$3 a share. And in addition, the voting rights to approximately 889,500 shares have been transferred to a numbered Vancouver company that is 49.99-per-cent controlled by First City and Canada-York. Anthony Beppenborg, Cere-Mark's acting chief executive, told *Maclean's* that he is now assessing what assets will be sold or cut back to return Cere-Mark's share price to the \$16 range at which it once traded.

The Gray Eddie scenario differs only in the way in which the share purchase is structured. Sam Belzberg's son, Marc, 32, operating through First Capital, and Gray Eddie's reclusive founder and chairman, Eddie Astor, are offering Gray Eddie's shareholders \$9.38 for each outstanding share. But bidding for the company, which is worth close to \$240 million, intensified two weeks ago when Entertainment Marketing Inc. of Houston offered \$19.72 a share. Still, Belzberg said last week that the family has not given up, and he left the possibility open that First City Capital would make a counteroffer.

In those and other operations, the Belzbergs—Sam, two brothers, a son and a nephew—say that they have genuine aspirations as merchant bankers, and are not simply corporate raiders. Still, a Vancouver investment analyst who follows the family business closely said that a perception persists that the Belzbergs are stock-market opportunists who would rather break up companies for a profit than build them. That negative image has been reinforced by a year-old civil action by the U.S. Securities and Exchange Commission against Marc Belzberg. The suit claims that Belzberg purchased more than five per cent of Ashland Oil Inc., in a 1986 takeover bid at the company, but broke U.S. securities law when he failed to report it. A ruling on the matter is expected by the end of June. But from Vancouver, Samuel Belzberg continues to steer the company on an acquisition course, looking, he says, for a solid and dependable revenue base.

—TOM PENNELL in Toronto



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Hairdressing salon; Wilson (below). the proposed sales tax could cover everything from haircuts to supermarket shopping

# CAUTIOUS REFORM

I first appeared in 1917 as a patriotic—and supposedly temporary—measure to pay for Canada's contribution to the First World War. But when the war ended, income tax went on, sprouting amendments and sub-amendments with heartily burlesque titles. In the past 15 years alone, there have been about 600 amendments to the Canadian Income Tax Act, which now sprawls across 1,400 conflicting pages. Using loopholes contained in those copious amendments, four per cent of Canadians with more than \$190,000 in income paid no income tax at all in 1984. Even more startling, 130,000 of Canada's 220,000 profitable corporations paid no income tax in 1983. As a result, when Finance Minister Michael Wilson, sporting a white carnation and a wistful smile, rose in the House of Commons last week to



WILSON

introduce his blistering package of tax reform proposals, few disagreed with his white paper's central thesis: the present system is not fair. "The tax system must have the respect of Canadians," Wilson declared. "We know that it does not."

Cute. To earn that respect, Wilson proposed to overhaul three areas of tax reform: personal, corporate and sales. In the first stage, which is scheduled to begin next Jan. 1, Ottawa will lower taxes for 8.9 million households—and raise them for 1.5 million others. To pay for that cut, Wilson will reduce or wipe out a range of corporate tax preferences (page 41). He will also apply the federal sales tax to more companies—but, as a result, to more products.

In the second and more controversial stage of tax reform, a multiple sales

tax will replace the existing federal sales tax on manufacturers and some wholesalers (page 46). That tax could affect every transaction, from producer to retailer—covering everything from hairdressing and legal fees to movement of food from farm gate to supermarket—not checked. That tax increase—at an unspecified date—is intended to fund additional cuts in personal and corporate taxes. Says Wilson, those changes meet Ottawa's test of fairness. "Special interest groups—increasingly more men and more complicated and less and less fair," he told the House. "Further action is needed to restore faith and trust in the system I am taking that action."

**Relief still.** Wilson's actions were cautious and carefully orchestrated to suffice the minimum number of feathers. In the wake of his announcement, many corporate leaders heaved sighs of relief about what he did not do. John Haig, director of taxes at the Toronto office of Clouston Gordon, noted, "Everybody expected service and retail taxes to be higher." Added Michael Mansfield, chief economist at Merrill Lynch Canada Inc.: "The document is evolutionary, not revolutionary." And the research department of Molson Young Ware Inc. concluded in a report to the firm's clients that "it appears to be an exercise in soft, ad hoc tax reform rather than the sweeping revolution that some had feared."

Despite its limited scope, the package contained enough appealing pieces to attract most interest groups. In fact, business departments officials flatly acknowledged to Maclean's that they designed the first stage of tax reform to appeal to the oddish interests of the majority of taxpayers. John Bullock, president of the nearly 70,000-member Canadian Federation of Independent Business, hopefully noted that the small-business tax rate will fall to 12 from 15 per cent. "We have protected small business and we are feeling pretty good," said Bullock. "Big business is going to pay its fair

share of taxes for the first time." Terence Hanley, executive director of the Canadian Council on Social Development, applauded the fact that 864,000 low-income Canadians will no longer pay income tax.

## AVERAGE INCOME

A teacher in Le Tuque, Que., has a salary of \$31,680 and fits into the bottom 20 percent of earners. She makes \$22,875 doing part-time work. They have three school-aged children. They gain immediately under tax reform, paying \$366 less than under the current system but, with family expenses, could be hurt by anticipated new federal sales taxes.

"That in itself is a positive thing."

But there were also major losers. The overhaul and simplification of tax preferences, Wilson estimated, will raise an extra \$5 billion in corporate taxes over the next five years.

Almost 30 per cent of that money will come from changes in provisions for the financial services sector, including a tax on the investment income of insurance companies. Wilson said he cut back the capital-cost allowances program, which allows businesses to deduct the depreciation of assets from their declared income. Michael Mansfield of Merrill Lynch: "The corporate tax structure looked like the epitome of a revenue grab than I would have liked."

**Risk.** There were other bumps on Wilson's road to tax reform. The most mention of the subject focused public attention on the earnings tax. It remains that the Conservatives have imposed since taking office in September, 1984. The statistics tell a staggering story. Ottawa's take from personal income taxes is up almost 45 per cent—to \$42.6 billion in 1987-1988 from \$29.1 billion in 1984-1985. In contrast, revenue from corporate income taxes has increased by only 8 per cent, to \$10.2 billion in 1987-1988 from \$9.4 billion in 1984-1985. The Tories have also imposed four increases in the sales tax since 1984—and extended it to such products as pet food and soft drinks. As a result, the revenue from federal sales taxes has shot up to \$1.7 billion in 1987-1988 from \$7.6 billion in 1984-1985—an increase of 61 per cent.

Reaction to the tax reform white paper, with opposition parties already noting the small increase in corporate tax revenue—and the massive increase in sales and personal income tax revenue. Liberal Leader John Turner pointed out that Ottawa will pick \$22 billion more from Canadian society in 1987-1988 than it did in 1984-1985. Comparing that increase to Wilson's promise to add \$1 billion from personal income taxes over the next five



	1984 RATES AND DEFINITIONS	1986 ND REFORM	1988 WITH REFORM
Income from family wages	\$4,655	\$4,655	\$4,655
Family Allowance	1,164	1,164	1,164
Interest Income	1,000	1,000	1,000
Total Income	36,719	36,719	36,719
Personal Deductions Other Deductions	7,315 6,925	7,273 7,568	— 3,900
Taxable Income	21,979	22,586	30,819
Federal Tax Minus Tax Credit	3,526 -1,823	3,545 -1,563	5,451 -6,902
Provincial Tax	3,026	3,026	3,026
Tax Payable	6,624	4,691	4,295

1. Difference is 1984 minus base-line deductible child tax credit.  
2. Decrease after tax reflects a change in basic interest deduction.  
3. Quebec provincial rates have been unaffected by the federal tax reform as it exists.

PROJECTIONS BY MCGRAW-HILL  
THE SOCIETY OF MANAGEMENT ACCOUNTANTS OF CANADA



Turner: revenue review increases

PHOTOGRAPH BY GUY LAWRENCE

## SPECIAL REPORT

years, Turner declared that "Canadians are still behind." New Democratic Party Leader Ed Broadbent argued that the rich "will be the only people who will pay tax [now] than when the Conservatives came to power."

Social welfare groups were also wary of hearing so much praise from the Conservatives. Kenneth Borrie, president of the National Council of Welfare, argued at Wilson's claim that tax reform "will remove \$80,000 Canadians from the tax rolls," his group calculated that Wilson has added at least that many low-income earners to the tax rolls since the Tories took office. Said Broadbent: "He is causing the damage he brought in over the past two years."

The tax reform package also raised the spectre of another federal revenue grab. Although finance officials refused to speculate when Stage 2 will begin, interest groups warned concern that a additional taxation on sales tax would siphon billions from the pockets of unsuspecting consumers. Hesley from the Canadian Council on Social Development declared, "The other shoe will drop a little later on."

**Creditors:** The political attractiveness of Wilson's package lies largely in his changes to personal income tax. Beginning next year, the current 10 tax brackets will be reduced to three. And the rates, which now range from six to 34 per cent, will rise from 17 to 29 per cent. At the same time, Ottawa will transform a range of traditional tax exemptions, including the basic personal exemption and the exemption for spouses and dependent children, into credits. Because no credits are deducted from taxable income, a person who dedicates an employee of \$10,000 and pays taxes at 34 per cent saves \$340. Incomes in a 25-per cent tax bracket who deducts the

\$10,000 exemption saves only \$170. In contrast, a tax credit is a fixed amount deducted from a taxpayer's tax bill. That change is good news for lower-income Canadians, because the

same \$10,000 exemption saves only \$170. In contrast, a tax credit is a fixed amount deducted from a taxpayer's tax bill. That change is good news for lower-income Canadians, because the

value of the tax credit will drop sharply to 33.8 per cent. Deductions for meals and entertainment expenses will drop to 10 per cent from 16 per cent. The former \$600 self-employment expense deduction will disappear, as will the deduction for \$1,000 of interest and dividend income.

**Stiflers:** Those changes have created winners—and losers. Wilson estimated that most salary and wage earners will benefit. But most who derive their income from investments or self-employment will suffer. Those Canadians could, in turn, alter their investment plans to take advantage of remaining tax preferences. Sol Zuckerman, chairman and chief executive officer of Montreal's Charan Industries Inc., bitterly deplored the reduction in the capital gains exemption and the reduction of the dividend tax credit. Declared Zuckerman: "Wilson is going to bury a shirt in the head, not a shot in the arm."

**Profits:** Reductions in the capital-cost allowances program, which took immediate effect last week, also rocked Canada's capital goods industry. Until last week, investors could write off 50 per cent of the cost of their investment during the year in which they made the investment—and the remaining 50 per cent in the following year. Now, only 25 per cent deductible in the first year—followed by 30 per cent of the balance of the investment in subsequent years. Four major capital equipment viewpoints, that investment would be trouble. Michelle d'Arcey, national director of the Canadian Conference of the Arts, called the change "devastating. I do not

know how the film industry will keep afloat."

Senior Finance officials say that Wilson will ignore most complaints—although he may be forced to change the film provisions. Instead, Wilson will argue that salary earners will see their average tax bill decline to 19 per cent from 20.1 per cent of income. In contrast, taxpayers who are self-employed or who rely only on investment income will see their average tax bill increase slightly, to 15.6 per cent of income from 15.4 per cent. As a senior Finance official confided: "They will still be ahead of the average guy. We will make them look like pliers."

Officials also calculate that two-thirds of all taxpayers have a taxable annual income of less than \$35,000; an additional 20 per cent have taxable incomes of less than \$45,600. "That means there's not going to be much sympathy for the guy who can no longer write off his Mercedes," said one senior official. "And that is precisely the argument we're going to use."

Paul Wilson will pay for a portion of that personal tax cut through changes in the corporate tax structure. Beginning as July 1, 1988, the general federal corporate tax rate will fall to 38 per cent from 39 per cent. The tax rate for manufacturing income will drop to 38 per cent from 39 per cent—and continue to fall by one percentage point per year to 37 per cent in July 1991. Despite those declining tax rates, Wilson predicted that revenue from corporate taxes would increase by \$6 billion over the next five years, through changes in tax preferences. Changes in capital-cost allowances mean that companies must write off depreciation of assets at a slower rate. And the portion of capital gains subject to taxation will climb to 66.47 per cent from 50 per cent next year.

**Equally important:** Wilson tackled the province that allows companies to trade preferred shares—ensuring what he called "their fair share of tax."

Owners of preferred shares now receive a dividend tax credit that is applied against their tax bill. In effect, the dividend is not taxed. Ottawa offers the credit because the company has al-

ready, theoretically, paid corporate tax on the money that it pays in dividends. But many companies receive their income from preferred shares and, through that mechanism and a variety of other tax preferences, pay no taxes at all. And those companies still sell preferred shares, which are attractive to investors because the dividends are tax-free. Under Wilson's new rules, corporations must pay a special minimum tax to compensate for the dividend tax credit that their investors will receive.

**Total:**

Meanwhile,

the minister faced a series of questions over his plan for the unenacted federal sales tax. In the short term, Wilson attempted to close a few loopholes: effective next January, the tax will extend to marketing firms that are related to manufacturers and to the wholesale level of small grocery and electronic stores. The sales tax will also be extended to such telecommunications services as Telus and to all long-distance telephone calls as well as local calls made by businesses. Those changes are expected to raise federal revenues by \$1.1 billion in 1988-1989 and \$1.2 billion in 1989-1990.

**Reactions:** Paul Wilson deflected the suspicion of the midrange tax—and as postponed, the major thrust of tax re-

## SELF-EMPLOYED BUSINESSMAN



A successful, self-employed real estate developer in St. John's, Newfoundland, Wilson is a big winner from tax reform. He earns \$85,000 annually from his firm and makes money from stock dividends, interest and capital gains. He has a sole and two teenage children and takes full advantage of tax shelters. Increased sales taxes could take a bite, but so far he would pay \$43,014 less in tax under the proposed reforms than under current rules.

	1986 BASIS AND DEDUCTIONS	1988 NO REFORM	1988 WITH REFORM
Employment Income	<b>\$87,000</b>	<b>\$87,000</b>	<b>\$87,000</b>
Family Allowance	368	368	368
Taxable Dividends	8,000	8,000	<b>8,000</b>
Interest	9,800	9,800	<b>9,800</b>
Taxable Capital Gains	23,500	23,500	<b>31,349</b>
Loss on Flow-Through Shares	560,000	250,000	<b>-250,000</b>
Total Income	<b>\$43,888</b>	<b>\$46,586</b>	<b>\$56,537</b>
Personal Deductions	4,670	4,740	—
Capital Gains Deduction	23,800	23,500	<b>31,349</b>
Interest Deduction	1,000	1,000	—
Charitable Contribution	7,500	7,500	<b>7,500</b>
Other Deductions	918	966	—
Charitable Donations	10,000	10,000	—
Total Taxable Income	<b>\$60,889</b>	<b>\$60,062</b>	<b>\$77,868</b>
Federal Tax	290,318	204,340	<b>185,139</b>
Minus Tax Credits	-1,333	-1,333	<b>-5,040</b>
Provincial Tax	117,616	117,063	<b>101,986</b>
Tax Payable	<b>\$36,621</b>	<b>\$20,080</b>	<b>\$27,978</b>

1. There is a change proposed for 1988 that would limit the refund for losses on flow-through shares.

2. Subject to a maximum of \$1,000. To be used in addition to the tax credit the low-income deduction was increased to \$1,000.

3. The increase due from tax losses results in the illustrated above would enjoy a significant tax savings.

PROVIDED BY RONALD WILSON,  
THE SOCIETY OF MANAGEMENT ACCOUNTANTS OF CANADA

new credits are drafted to lower the overall tax bill of individuals earning less than \$37,500.

But while the tax cuts given, he also takes away. The controversial lifetime exemption for capital gains introduced

subsequent years. From financial representatives viewpoint, that amendment adds up to trouble. Michelle d'Arcey, national director of the Canadian Conference of the Arts, called the change "devastating. I do not

## CAREER COUPLE



With two large incomes and one young child, these Chilliwack, B.C., residents fit the profile of the modern yuppie family. The husband is a salaried executive earning \$45,000, the wife earns \$36,800 as a self-employed professional. They take advantage of deductions for each common sense as gifts and charitable donations. Even in their high-income bracket, they would win under the first phase of tax reform, saving \$1,900.

	1986 BASIS AND DEDUCTIONS	1988 NO REFORM	1988 WITH REFORM
Combined Employment Income			<b>\$4,150</b>
Interest and Other Income	2,668	2,766	<b>2,866</b>
Total Family Income	<b>\$7,038</b>	<b>\$7,038</b>	<b>\$7,038</b>
Personal Deductions	9,070	9,019	—
Other Deductions	17,043	17,372	<b>12,000</b>
Residue Income	<b>\$5,920</b>	<b>\$5,658</b>	<b>\$5,038</b>
Federal Tax	12,591	12,595	<b>14,888</b>
Min Tax Credit	—	—	<b>-3,817</b>
Provincial Tax	6,368	6,298	<b>5,835</b>
Tax Payable	<b>\$19,949</b>	<b>\$18,893</b>	<b>\$16,807</b>

PROVIDED BY RONALD WILSON,  
THE SOCIETY OF MANAGEMENT ACCOUNTANTS OF CANADA



Battle: reducing the Tories' damage

form. The new tax would apply to every transaction from the primary residence to the consumer. At each stage, the seller would compute the difference between the amount of tax he collected from his customer and the amount of tax he paid to his supplier. He would then send the difference to Ottawa. Wilson speculated that the federal multiple tax could be combined with the provincial sales tax to create a single statewide sales tax. Or Ottawa could impose a federal goods and services tax on every transaction. A third alternative: Ottawa could levy a federal value-added tax that would apply only to specified items and require a painstaking system of taxation. Revenue from the tax would permit Ottawa to make further cuts in per-

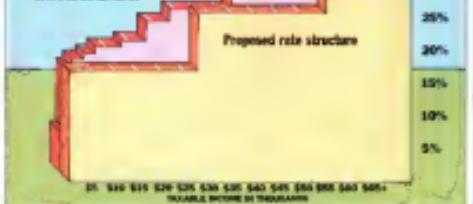
annual and corporate taxes—and to end the current three-per-cent surtax on personal and corporate income.

Ultimately, the real estate tax proposals were more interesting for what they did not say, when Ottawa will apply the new law. Critics speculated that the Conservative government would delay implementing the potentially unpopular sales tax until after the next federal election, likely in late 1989 or early 1990. A senior economist at a Toronto brokerage firm told Maclean's that the real estate tax is the heart and soul of tax reform—a positive reform to the system of taxation—but that the Conservatives are afraid to introduce it. "I don't think they know what they are doing," he said. "It is all political. This is not a deficit-controlling package. It is a let's-win-the-next-election policy."

**Breaks:** The Conservatives were not always an eager for sweeping tax reform. In 1985, Wilson ruled out a major tax overhaul, saying that it would lead to "uncertainty and instability." But last year the U.S. Congress agreed on a comprehensive tax reform package to lower corporate and personal tax rates [page 36]. And Canada faced the prospect of corporations moving south of the border for tax breaks. Brian Hagan, president of Ottawa's

## SIMPLIFYING THE TAX FORM

Michael Wilson's tax reform would reduce the number of tax brackets to four from the current 15



\$5, \$10, \$15, \$20, \$25, \$30, \$35, \$40, \$45, \$50, \$55, \$60, \$65, \$70, \$75, \$80, \$85, \$90, \$95, \$100  
TAXABLE INCOME IN THOUSANDS

## SINGLE PARENT

A mother with two young children, living in Halifax, has \$18,448 in income from a full-time job and child-support payments. With an income just barely above the poverty line, her major expenses is child care. Pending any increase in sales taxes, she gains from tax reform, receiving \$88 back from the federal government instead of paying \$211.

	1988 BATES AND DEDUCTIONS	1988 NO REFORM	1988 WITH REFORM
Total Income	18,423	18,449	<b>18,449</b>
Personal Deductions	8,580	8,480	—
Other Deductions	5,549	5,649	<b>4,000</b>
Taxable Income	5,894	5,920	<b>15,449</b>
Federal Tax	853	876	<b>712</b>
Minus Tax Credits	-1,006	-1,145	<b>-1,186</b>
Provincial Tax	476	476	<b>295</b>
Tax Payable (Refund)	320	211	<b>486</b>

PRODUCED BY RUBEN D. CIMA CS,  
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Executive Consultants Ltd. "Wilson was crippled to do something."

The finance minister's response was to lower corporate rates so that the combined federal and

told Maclean's: "All three per cent we are right on the edge, but we just could not afford to go lower."

In the end, the estimated 1987-1988 deficit of \$28.3 billion set the real limits to tax reform.

Whatever Wilson did to the tax system, he had to make sure that Ottawa did not end up losing money as a result. Indeed, federal tax revenues are projected to grow to 1.7 per cent of the gross domestic product in 1987-1988 from 1.6 per cent in 1985-1986. Much of that growth will stem from the increase in the labor force. But those numbers indicate the extent of the pressure on Wilson to keep generating funds for Ottawa. Said William Macdonald, a corporate lawyer with Toronto's McMillan, Black: "Aging is a finance minister saddled with a deficit to write a tax reform package in like taking a sabbatical in hospital with pneumonia to run a marathon."

**Taxes:** Whatever the fate of Wilson's package, he has started a process that may be difficult to reverse. Canadian taxpayers, tantalized by the prospect of tax reform, may become a formidable lobby for reform. Small business, promising of lower taxes, may press for reduced corporate rates. Canadian manufacturers, resentful of a sales tax that punishes domestic producers, may push for its replacement by the new multistate sales tax. That new enthusiasm for tax reform contrasts sharply with Wilson's first brush with the issue two decades ago. Hughes wrily recalled a sunny day book in 1967 when he and Wilson were Bay Street brokers delivering an earnest report on tax reform to a meeting of the Investment Dealers Association of Canada in Quebec. "We sat up there and boozed the audience stiff," Hughes told Maclean's. "It was a beautiful day and they all looked like they would rather be playing tennis. Wilson had to wait until he got to Ottawa before people would listen to his ideas on tax reform."

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MARY JANNIN with PAUL GERSHOLD and MARC CLARK in Ottawa and ALICE MALLEYES and THERESA THIRSK in Toronto



Florida residents lobbied for people living mainly on capital gains income

## SPECIAL REPORT

# LESSONS FROM A NEIGHBOR

For most Americans, their first encounter with the effects of last fall's tax reform program was a four-page form known as W-4. It was an inconvenience beginning Internal Revenue Service (IRS) enforcement, or Lawrence Glahn declared last November, that the new form—which almost all American taxpayers must fill out—would put an end both to large refunds and large tax bills by providing a more accurate estimate of how much employees should deduct from paychecks. Although simplifying forms was one of the goals of the reform, the W-4 was twice as long as the form it replaced and sparked complaints about its baffling design and directions. Indeed, the all-new W-4 was too much for even the tax experts. A sample form passed out by officials to show how it worked underestimated a fictional taxpayer's bill by \$3,885.

Complained Democratic Senator David Pryor of Arkansas: "A lot of people think that when the government tries to simplify something, we make it worse. This reaffirms that idea."

Unbeknownst to Congress, the agency officials redesigned and shortened the new form. The problems with tax reform in the United States are far from

over. The impact of the first year of the program—which eliminated a quarter of deductions, in exchange for lower tax rates—will remain largely unknown until businesses and individuals file their returns next April. And although the changes were designed earlier to increase or decrease Washington's overall tax take, a \$25.5-billion revenue shortfall in the federal budget may prompt Congress to impose new taxes even before the reform's first anniversary.

The American Tax Reform Act of 1986, which became law last October, introduced the most sweeping changes in taxation that the United States has experienced since 1935. If all goes according to plan, the top individual federal tax rate, formerly 30 per cent, will fall to 28 per cent this year. Likewise, the maximum corporate rate will decline to 34 per cent from 46 and although business rates will be lower, elimination of some capital gains and depreciation benefits for business will shift about \$10 billion of the tax burden from individuals to corporations.

Although the lawmakers agreed on the amount, they have yet to decide what form the taxes will take. Most congressmen appear reluctant to tinker with the new tax rates adopted only a few months ago. The Bush administration's new excise taxes on gasoline, oil imports, cigarettes and alcohol. But if that happens, the effects of the reform program may be undermined. Said Speizer: "We'll be back at Stage 1."

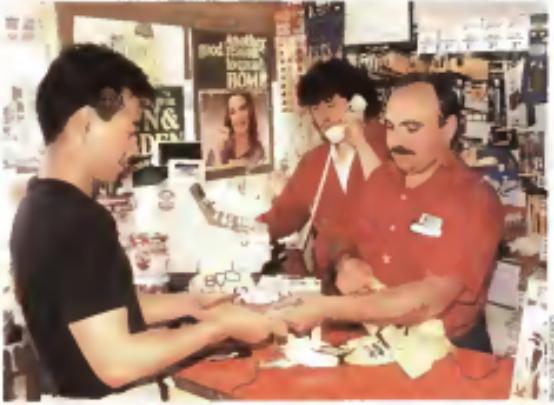
—IAN MURTON in Washington

met at 60 per cent but even in that group, not everyone will come out ahead. Four per cent of taxpayers at that bottom rung—mostly large capital gains income—will pay more. Beyond that, the higher the income, the lower the proportion of people who gain. At the top, among those with incomes over \$200,000, almost half will pay more. The biggest losers, according to Jeffrey Speizer, a policy analyst with Citizens for Tax Justice, a labor-based lobby group, will be "the prototypical yuppie couple with two incomes and no kids."

The corporate picture is equally mixed. Some heavy industries—oil refining, steel and automotive manufacturers—will be hit hard under the new system. In the early years of Ronald Reagan's administration, corporations were allowed to accelerate写-offs of investments in new buildings and equipment, giving companies bigger tax deduction. But the new bill lengthens depreciation periods again, which will hold down tax on many manufacturers and may slow investment in capital goods—machinery and equipment used to make other products.

**Borders:** Despite the potentially negative impact on its members and the shift of the tax burdens to business, the U.S. Chamber of Commerce remains a strong supporter of the program. Said David Koenig, a tax attorney for the chamber: "We look at it one reason—the attractiveness of the law rates." But Koenig cautioned that support could evaporate because of the first post-tax-reform budget debate. Unable to create a budget that meets mandatory deficit-reduction requirements through spending cuts, the Democratic leadership in Congress last week proposed to make up a \$25.5-billion revenue shortfall through new taxes.

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Hardware store in Toronto; Balloch (below) thinks alternatives but few details

## SALES TAX: THE UNKNOWN FACTOR

**F**inance Minister Michael Wilson's plans to revamp the federal sales tax system ran into a major obstacle almost a year ago, on a hot Wednesday afternoon in Saskatoon. The federal cabinet's powerful prioritization and planning committee met there for three days after Canada Day celebrations. A new sales tax was one item on the agenda, and Wilson was eager to release a discussion paper on the subject, but his department officials recommended that he first examine lowering personal and corporate taxes. As well, Wilson's cabinet peers were more interested in the political impact of tax reform initiatives in the United States. For his part, Prime Minister Brian Mulroney encouraged Wilson to shelve sales tax reform in favour of overhauling the entire tax system. And when Wilson finally unveiled his package last week, there was no sales tax reform—he told us that it would come later, at a still-unspecified date. Said Michael Marshall, chief economist at Merrill Lynch Canada Inc.: "It was a very tentative step toward tax reform—maybe a little bit timid."

**Simpler** But timing is critical in the federal government's two-step tax reform package. The first stage, which Wilson outlined in his white paper last week, is designed to broaden the tax base, decreasing most personal taxes while increasing the corporate share of the tax burden. In a future second phase, federal sales taxes are to be coordinated to assume a larger share of the overall load. The government, Wilson said, has still not decided what type of sales tax it will implement. But whatever form it takes, consumers could become aware of federal sales tax—also known as a business transfer tax—that would exempt no businesses and would be levied on the basis of total sales. The lack of agreement



—ANN REEDSTELL with PAUL GERSH and MARC CLAUDE GUIGNEAU and THERESA TECHEIRO in Ottawa

now is the criterion, Wilson proposed a slight expansion of existing—and less visible—federal manufacturers' sales tax scope to compensate for revenues lost through other aspects of the first step.

**Unknowns** Canada was among the first countries to introduce a manufacturers' sales tax in 1989—and will be one of the last to eliminate it. The federal tax is charged to manufacturers selling a product; the settlement grants provincial taxes a share at the consumer level. But over the years, the federal sales tax system has become unwieldy and unbalanced. For one thing, it now taxes imported products more favorably than domestic goods: on average, the tax on domestic products is one-third higher than on imports. As well, only a minority of businesses pay the tax because it applies only to long-established manufacturing industries such as heavy machinery, textiles and furniture—which account for only about one-third of all Canadian goods and services.

**Options** Wilson said that the government is considering three options for the second-phase tax. One is a so-called value added tax (VAT), which would be levied on most products at every stage from raw materials through manufacturing and assembly to sale to the consumer. Another alternative is a rate uniformly across the-based tax on all goods and services. The third option, a minimum sales tax, would combine promotional retail tax and a federal tax, possibly at a lower level but over a broader range of goods and services. In making the decision, the government must weigh two critical factors: how the tax is collected and what exemptions are available.

These two issues have dangled Wilson's efforts to move toward a VAT. The finance department ultimately settled on a goods and services tax—also known as a business transfer tax—that would exempt no businesses and would be levied on the basis of total sales. The lack of agreement

would make such a tax easier to administer, said John Balloch, president of the 9,000-member Canadian Federation of Independent Business. Indeed, Balloch estimated that collecting a federal tax could cost small businesses up to \$20 million a year. Ottawa has said that it would pay small businesses to collect a more complicated VAT, but Balloch said that "we will fight to the death" for an easy system.

**Still** An uncomplicated tax system may not be politically appropriate for the government. Any of Wilson's three options would tax service industries for the first time, bringing a large segment of the economy under the sales tax umbrella. As well, the new tax would be levied on manufacturers, wholesalers and retailers. But while the business community generally prefers the goods and services tax to a VAT, most voters would likely opt for a more complicated sales tax exempting such basic goods as food items.

One increasingly attractive option, Wilson told Maclean's, would be to share administration of the sales tax between the provinces. Indeed, such a national sales tax is the popular choice among business groups. But one difficulty, according to industry sources, is that for political reasons some provinces do not want to be associated with collecting a federal sales tax. Still, Wilson said that none of the provinces has ruled out this option.

**Nonetheless** Meanwhile, Wilson has teamed up with the existing sales tax agencies to raise \$2.3 billion in extra revenues for 1988 and 1989. The adjustments include a new 10-per-cent tax on telecommunications services beginning next January, including long-distance telephone calls but not the basic residential service. The finance department also shifted some sales tax payments to the wholesale level to prevent manufacturing companies from avoiding tax through complex arrangements with trading companies.

As well, to compensate lower-income Canadians who spend a larger percentage of their income on basic necessities than high-wage earners do, the federal government plans to increase the national sales tax credit by \$30 to \$30 per adult and by \$10 to \$26 for each child in households with incomes of less than \$35,000. Still, many critics of last week's first step complained that it was a mere shuffle of the tax load rather than a full-scale tax reform. Whatever form it takes, sales tax reform will ultimately determine the scope of Wilson's proposals.

# WIDENING THE NET

In 1972 the SWF leader, David Lewis, called them "corporate welfare bums," for paying less than the share of taxes. Eleven years later, 30 per cent of profitable companies in Canada did not pay any income tax because of loopholes and investment incentives in the Income Tax Act. Last week Finance Minister Michael Wilson's white paper on tax reform went some way toward redressing what he called corporate abuse of

abuse, spreading the tax burdens out more evenly across the industrial sectors. Companies that invest in preferred shares as a way of avoiding tax will find it less attractive to do so, as the proportion of capital gains that are taxable will rise to three-quarters by 1990 from the current one-half, and capital cost allowance rates on heavy machinery, resource assets and Canadian ships will be lowered. Real estate development companies and financial institutions will feel a



Tractor manufacturing in Waterloo: a less attractive capital cost allowance

the tax system. Said Wilson: "Canadian tax cuts rightly reward it when they find that others avoid paying tax by bending the rules." Still, the finance department emphasizes that the package of reforms that Wilson proposed for business will affect less than half of non-taxpaying corporate Canada. The reason: the tax system will continue to be an instrument of industrial policy, and special investment incentives designed to favor some industries will remain in place.

If approved, the proposals would lower the general corporate federal tax rate to 38 per cent from the current 39 per cent on July 1, 1988. For manufacturers, the rate would drop to 25 per cent from 30 per cent and for small businesses it would fall to 12 per cent from 15 per cent. John Haag, director of corporate taxes at the accounting firm of Clarks Gordan in Toronto, and that Wilson was "recognizing the importance of keeping these industries in Canada, especially in a free-trade environment."

But many tax breaks for big business would be gone or at least radically re-

vised, spreading the tax burdens out more evenly across the industrial sectors. Companies that invest in preferred shares as a way of avoiding tax will find it less attractive to do so, as the proportion of capital gains that are taxable will rise to three-quarters by 1990 from the current one-half, and capital cost allowance rates on heavy machinery, resource assets and Canadian ships will be lowered. Real estate development companies and financial institutions will feel a

—PATRICIA BEST with correspondents' reports

# Tinkering with tax reform

By Peter C. Newman

**A**t first reading, Michael Wilson's white paper on tax reform reminded me of nothing so much as the story of the politician who sees someone drowning 500 feet down shore, throws him a 75-foot rope and, when the waterlogged victim grabs his objections shouts back, "Don't complain! I just now threw this lasso!"

Certainly, the Wilson document is encrusted with so many half measures that it qualifies less as tax reform than as tinkering with an existing and highly unsatisfactory system. The 1,600-page Canadian Income Tax Act will remain virtually impenetrable to the average citizen. Last week's much-advertised document did not propose as many changes to the tax system as governments have accomplished piecemeal in roughly 900 amendments to the statute since Liberal Finance Minister Edgar Benson's white paper of 1971.

One of the problems is that taxes in Canada account for far more (roughly 35 per cent) of our gross national product than is the case in Japan (27 per cent) or the United States (30 per cent). The difference is mainly caused by the social welfare infrastructure that successive governments have built up in this country since the Second World War—and that Wilson shows no sign of wishing to dismantle.

The business community has always contended that reduced levels of taxation are taxes at all would be what Tom d'Agostino of the Business Council on National Issues described recently as a "neutral system, one that avoids, where possible, the distorting of market forces in determining rewards and allocating resources."

Certainly, d'Agostino and his group will approve the eight per cent drop in the general corporate tax rate, and hope that the corporation will follow suit, but their pleasure will be considerably diluted by Wilson's other provisions providing corporate increases of \$6 billion from business-tax changes over the next few years. Financial institutions and life insurance companies were particularly hard hit, and last Thursday night, when the finance minister's white paper was released, the send among the big hitters on Bay Street was, "Mike sure hammered us with this one."

Well, he didn't really, but the Canadian business mentality, which reac-

ts anyone who makes a lot of money deserves special tax privileges, took a beating. The one area where Wilson demonstrated genuine enlightenment for his constituency was small business, mainly by not knocking the 15-per-cent federal tax rate that is essential for struggling new enterprises. He also allowed the owners of those minicompanies to benefit from the full \$500,000 lifetime exemption on capital gains. But that philosophy did not car-

ry through on their consumption, and a wealthy family having to pay the same rates just doesn't seem fair. It fails to perpetuate the partnership principle I was talking about. It can either be a tax on savings or a tax on income because people spend both, but by taxing without reference to income it is highly regressive."

Plagis also disapproves Wilson's tax measures as spelled out in the white paper. On the personal side, it's in the nature of housekeeping, and where the measures are significant is in the area of saving and investing—providing some serious disincentives. The change in capital gains is the big one. If three-quarters of a capital gain is to be taxed instead of a half, why have a capital gains provision at all?

At the same time, Plagis cautions that the whole approach is strange coming from a Conservative government and a minister who was an executive vice-president of Dominion Securities, Bay Street's largest investment house, from 1978 to 1979. "It's almost the kind of thing that Mr. Bradstreet might have done, though he would have gone a little further. If it's supposed to be a political budget for the Mulroney government, I have a little difficulty seeing the ring in it."

Perhaps the main problem faced by Wilson as he now goes across the country trying to sell his message is that parts of his white paper are slightly broken. For example, the increased taxation of capital gains is phased in so that at first prices of capital gains will rise above the after-tax equivalent that must be realized if gains in one-third instead of the present level of one-half, and in 1990 that jumps to three-quarters. All that will mean is that people will sell all their good stocks that have shown a profit before the taxes go too high and hold on to their losses so that their capital losses will be worth more under the new rates. Any system that provides incentives for investors to sell their winners and keep their losers doesn't herald much progress.

"This is not unique in my view," Plagis concludes. "There should have been more bold promises for government to become a real partner in the wealth-creation process. We must provide incentives for investment in Canada, otherwise capital will leave the country." And we won't get it back with a 75-foot lasso, either.



Playfair: 'nowhere near as incentives'



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# Organized crime and the Teamsters

**A**s president of the International Brotherhood of Teamsters, Ray Williams was one of the most powerful labor leaders in North America. But in 1983, after only two years in office, he was arrested in a federal district court in Chicago of embezzlement, bribery, U.S. mail fraud and defrauding the union's pension fund. Now Williams, who is ill and suffers from emphysema—he is serving his 10-year sentence at the Medical Center for Federal Prisoners in Springfield, Mo.—is shedding light on the operations of the 1.6-million-member union that he once led. On June 1, during a federal racketeering trial of 12 Mafia members in a New York City federal district court, jurors watched videotaped testimony in which Williams said that both he and his successor, Jackie Presser, were controlled by organized crime. Williams declared that in 1981 Kansas City Mafia leader Nick Civello threatened his life and forced him to give loans from the Teamsters pension fund for casino hotels in Las Vegas. "That's when I became his boy," said Williams, who received monthly payoff of \$2,000 from Civello from 1974 to 1981. "I was controlled by Nick."

According to U.S. authorities, Williams' damning testimony provided them with the evidence that they needed to link the largest union in North America with organized crime. Indeed, last week U.S. justice department officials confirmed that they were preparing a lawsuit seeking both the removal of the union's executive board and subsequent federal control. The action—which union spokesman dismissed as "a groundless attack"—represents the government's first attempt at curbing racketeering by taking control of an international union.

To that end, justice officials say that they will review hundreds of convictions of Teamster officials for crimes ranging from mail-and-drug enhancement to murder in order to prove that the powerful union is in fact a racketeering enterprise. Among the remaining information that may be used, according to a member of the investigating team, was seized to release a massive trove of evidence linking the Mafia to the unexplained disappearance of former Teamsters president Jimmy Hoffa in 1975. He is presumed to be dead

The investigator said that he believes Hoffa's disappearance was engineered by convicted lieutenant Anthony "Tony" Piro, Presser's son, a member of one of New York City's organized crime families. Added the investigator: "The point is that Hoffa tried to assert control over the mob's little kingdom, so they wheeled him."

The Teamsters' 18-member execu-

tive board—headed by President Eugene DeLoach—denied that he believes in the 1980 and 1984 U.S. presidential elections—are "a calculated political play designed to take the pressure off internal problems off the Teamsters administration."

Indeed, even dissidents within the Teamsters argue that government inquiries is the easiest way to weed out corruption in the union. According to spokesman for the Detroit-based reform-minded group Teamsters for a Democratic Union, Washington would achieve results more quickly by overturning the Teamsters' undemocratic election procedure and demanding a new court-supervised vote for executive posts. That, he said, would be enough to eliminate Mafia influence. But, Paff added, "cleaning up the union has to be done by the members themselves."

For their part, many union members said that they remain skeptical of government-sponsored reform. Court-appointed appellate now supervises two union locals—one of them the New Jersey local of the Teamsters, headed by Presser—and they are apprehensive, but neither arrangement is winning much membership approval. Conceded a U.S. labor department official: "No government-appointed official is going to be able to run a union competently."

Still, on the heels of Williams' testimony, federal officials say that they intend to produce such overwhelming evidence of racketeering and crime that the Teamsters' leadership will accept a trustee oversight. "If the government has to go to the wall on this, every conviction on every racketeering scheme in the country is going to be saved," said one investigator.

"That's not going to do the Teamsters any good."

—EARL BLACK in New York City



Williams (in chair) discussing testimony of Mafia influence

the board—which includes Senator Edward Lewis, director of the union's 40,000-member Canadian wing—and it denies any organized crime influence. Last week in St. Louis, Presser, who faces a separate trial in August on racketeering and mail-infractions charges, told a cheering group of union members that he is prepared to fight hard to retain control. According to union officials, the charges against the Teamsters—the only major union to endorse Keeler

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Gestet (center); Keeler (below); Absolutes, sympathy and concern about vigilantes

## Doubts about self-defence

**A** man who sparked a widespread debate over the use and rights of deadly force in a New York City hideout apartment building last week—but impressed by continuing interest in his case. Outside the West 11th Street building, crowds of reporters waited in hope of obtaining an interview with Benjamin Gestet. He is the besieged 39-year-old electrical engineer who shot and wounded four young black men on a crowded subway car in December, 1984—in the belief, he said, that they were about to attack and rob him. Last week a jury of 10 whites and two blacks acquitted him of attempted murder, but found him guilty of second-degree murder charges after a man was gashed from outside his physician during a robbery attempt last November.

In that incident, Keeler, 41, allegedly chased 25-year-old Timothy Smith into 11th Street S.E. and killed him with a blow from a shotgun. But when police charged Keeler with his response to illegal parallel the expansion of legislation that Gestet received from using U.S. citizens after the subway shooting. But although fellow store owners and hundreds of other Calgary residents raised more than \$27,000 to pay his legal expenses, city police spokesman ex-

plained their concern at the reaction to the slaying. Declared Sept. Frank Mitchell last November: "The police are here as the individual citizen doesn't have to get involved in vigilante." Similarly, New York officials warned that anyone taking the law into his own hands would face prosecution. Still, Mayor Green, a Democratic state assembly member from Brooklyn who is also chairman of the 25-member Black and Puerto Rican Legislative Caucus in Albany, N.Y., stated that the jury's decision "asserts dangerous vigilante attitudes as the sort of exaggerated element."

Several juries in the trial defended their finding in subsequent interviews, and stressed that the verdict did not condone ready justice in a city plagued by racial friction and street crime. According to one juror, 25-year-old computer programmer Mark Leslie, all 12 jury members concluded that Gestet had committed a serious offense. Leslie also said that the jury believed that the defendant—who had been the victim of an earlier robbery on the subway—thought that he faced a deadly threat when four youths with sharpened switchblades. In their possession ap-

pealed him and asked for \$5. Said Leslie: "People may think that this gives license to get out and shoot black people, but the fact is that these four people were a deadly threat to Gestet—black, white or whatever."

In the same way, defense lawyer James Ogle told an Alberta Court of Queen's Bench jury last week that a series of robberies and break-ins at his client's store had driven Keeler to arm himself. In the 30 months before the shooting incident, and Ogle, burglars had twice broken into the store and stolen drugs—and armed robbers robbing narcotics had held up Keeler on two occasions during that same period. In one incident, according to Keeler, a masked man who demanded all the narcotics in the store pointed a handgun at his wife, Mary, and threatened to kill her. And in a robbery that occurred six months before the fatal shooting, a robber struck Keeler on the head with a baseball bat.

Speaking from the stand in his own defense, the dark-haired druggist owner said that he had kicked one of the robbers in the face in an unsuccessful attempt to stop the man from leaving with the drugs. According to Keeler, those boldfaced comments have since become his best defense and his wife, with whom he lives, was charged. Said Keeler: "We realized that our lives had become very unsafe, that it was a very fine line between staying alive or being killed by robbers." Still, he fully denied earlier trial testimony by Calgary Det. Paul Manuel according to Manual, Keeler had told him that he had purchased a shotgun after the holdups and break-ins—and pretended that he would shoot to kill the next person who attempted to rob his store.

Indeed, Keeler's lawyer said that the shooting had occurred "in a blind panic, under a stressful situation, a situation of great fear." That description is in line with the arguments that Gestet's lawyers presented. And, like Keeler, their client is still entangled in the consequences of a shooting incident. He still must face sentencing in his trial. Gestet will learn whether he is to spend time in prison, or avoid jail entirely. In a Calgary courtroom, a slightly built druggist owner waits for a judge and jury to make a similar ruling on his destiny.

—MALCOLM GRAY with correspondent  
—SUSAN GALT



Malcolm Gray with correspondent  
—SUSAN GALT



# A nose for the tragic heart of comedy

ROXANNE

Directed by Fred Schepisi

**C**hris Balas, the inspired derivative of Edwared Rostand's fictional courtesan Cyrano de Bergerac, is a sweet-natured boy cliché with an unusually long nose. The hero of the film

Sustains beneath Chris's burning cap.

At the core of Martin's comic genius is his ability to remain absolutely plausible in the most absurd circumstances, such as when he applies makeup high-lights to his face in an attempt to de-emphasize his nose. Directed by Fred Schepisi (*Plenty*) with snap-on-a-dime



**Martin**, Marvins: a dreamer with his head in the clouds loses his heart to a lonely stargazer

Bossman, he is a poet and failing botanist—an unfortunate physiognomy. Steve Martin, who also wrote the screenplay, plays CD with the bulbous grace of Buster Keaton and the gallantry of Charlie Chaplin. To defend himself against would-be hit men and prostitutes, he even brandishes a tennis racket in a mock sword fight. Well-read, witty and cheerful, CD is basically content with life—until he meets Roseanne (Daryl Hannah), an enigmatic astrophysicist who has come to his town, Nelson, Wash. (or really, Nelson, B.C.). A dreamer with his head in the clouds, CD loses his heart to a stargazer.

Like all truly great comedy, Roseanne never strays far from sadness or disaster. When Roseanne develops a crush on a handsome fireman, Chris (Mike Rossenbach), she informs CD and turns him equally interested in Roseanne, but helplessly dumb—he can barely comprehend a sentence—as he, too, falls for CD's assistance. On his behalf, the oblivious CD writes roses of poetic letters to Roseanne. On her behalf, the oblivious CD writes roses of poetic letters to Roseanne. On her behalf, the oblivious CD writes roses of poetic letters to Roseanne. On her behalf, the oblivious

CD writes roses of poetic letters to Roseanne. At one point, CD tells a man who has just swatted him that he can dream up 20 better ways to say "big nose." Then he flags out a series of lucy insults along the lines of "It must be wonderful to wake up and smell the coffee—in Brazil!" Always pointedly funny, Roseanne has a nose for pure pleasure.

—LAWRENCE O'TOOLE

**L**ast summer, during the filming of *Asbestos*, an American couple pulled into a Nelson, B.C., gas station and parked in a sign reading, "Welcome to Nelson, Washington." The station attendant heard the woman turn to her companion and fame: "You said we'd cross the border in four days." Visitors may have been entertained—but most of the town's 8,200 residents enjoyed mansplaining. As Americans themselves were hired as extras, and others found employment as art builders. The *Asbestos* crew departed after three weeks of filming. But the pernicious asbestos, continually where born-of-the-century buildings ring the resources

shores, still lingers with boomtown optimism—and the hope of more mining work. Said Harry Sonnenburg, fire chief of the 1913 firehall used extensively in *Asbestos*: "We lived here for 51 years and I've never seen Nelson so positive about itself."

When it was discovered by Roseanne's location scouts, the community was in real need of good news. Unemployment runs as high as 25 per cent in the B.C. interior, and Nelson had been especially hard hit. Its lumber mill, plywood plant, and its small community college all closed in the early 1980s. But now the city's \$2-million restoration project is attracting film industry dollars. Shortly after Columbia's *Asbestos* injected an estimated \$650,000 into the community, Scottish director Bill Forsyth arrived to shoot his new film, *Hanshapping And Pavement*; executives are considering going to Nelson this summer to shoot *The Roopie*, a film starring John Travolta.

Taking a cue from the fictional mayor in Roseanne who wants to turn his town into "another Aspen," civic officials have organized an advertising campaign urging Americans living in the Pacific Northwest to see the film in Nelson. There they can have a free guided tour of the movie's locations.

Good measures of the *Asbestos* crew's presence longer than the film's production contributed \$50,000 toward restoration of a local theatre and bought a new television and VCR for the fire department. Star Steve Martin donated art books worth \$10,000 to the local library, and he was one of several cast members to participate in a comedy night that raised \$1,000 for muscular dystrophy; the benefits charity of firefighters served North America. But few events on match the festive filming period itself, when the city turned into one large Hollywood campsite. Can Diamond, owner of the Main St. Diner, recalls an 11 p.m. request for "500 eggplants" to go. And Paul Forsyth, son of John's restaurateur, remembers Martin coming to his house day after day wearing his false nose. Says Forsyth: "He always ordered a Caesar salad, a tuna-fish sandwich, and an iced tea—with an extra-long straw."

—PAMELA YOUNG in Vancouver

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## NATURE

# Time for the 17-year itch

In many ways, the cicada is a lucky bug. The enigmatic insect lives for 17 years—for surpassing the normal life-span of other bugs—and spends the time underground sucking on roots. Then, along with billions of its fellows, it emerges to the surface of the earth and engages in an exuberant frenzy of mating before it dies. An inch and a half long, and-eyed and toothless, cicadas do little harm during their three- to six-week stay above ground. But their numbers, which entomologists—scientists who study insects—estimate to be several million per acre, are terrifying residents of the southeastern United States, where the brood last emerged in 1985.

Laura, from one driveway from New York, came and drove away by the following evening. Since then, the began emerging out of their burrows last month, & has become impossible to walk or sleep outside without crossing them. Still, the cicadas have provided birds with a feast, and lawns have benefited the holes that the tunneling insects make in the High, dry and nutritious. As well, some people are enjoying the opportunity to observe them up close. Sue Douglas Miller of the U.S. department of agriculture's Systematic Entomology Laboratory in Beltsville, Md., "They're a real insect. I have really enjoyed listening to their song."

Some people even say that they enjoy eating the protein-rich cicadas. Thomas Moore, a biology professor at the University of Michigan at Ann Arbor, has eaten them raw but says that he prefers them "fried in a little butter and lightly salted. You can add garlic, but I don't."

But the infestation cannot end too soon for Geoffrey White, a defense department economist who lives in Arlington, Va. He has had to seal his fireplaces opening to block the cicadas that were entering his house through the chimney. Temperatures of 85°C are destroying the ever-growing pile of cicada corpses in his backyard, and the smell is unpleasant, similar to that of rotting flowers. Said White, "I must remember not to put my house up for sale 17 years from now." White is referring to the year 2004, when the offspring of this year's brood will emerge and begin anew the mysterious life cycle of the cicada.

—MARE MAYER with JAN AUSTIN in Washington



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## BOOKS

### Angel with a lariat

CAPRICE

By George Bowering  
(Penguin Books, 188 pages, \$19.95)

I n most westerns of the John Wayne variety, the hero is a lone gunfighter who relentlessly hunts down the bad guys and then rides off through the sunset back in a cloud of dust. That myth has become so engrained in the North American mind that many people—including some with political clout—permit me taking it seriously. Central to such a vision of the Old West is one inescapable fact: the gunlinger must be male. Attractive as women, he is also above them, a superhero too brave and too free for the mundane restrictions of marriage. In short, he is a despoiler on a horse. But the myth is so far from the truth that it deserves to be torn down on its head—a function brilliantly served by Caprice, the new novel by British Columbia writer George Bowering. In Caprice, Bowering combines cowboy tales with great elegies and wit, while at the same time tipping his Stetson to the forgotten virtues of Canada's own West.

The most revolutionary thing about Bowering's book is that it has a heroine, not a hero. Caprice, a young poet from Quebec, is a woman of such frank-and-beautiful beauty that, to the amazement of nearly every man who sees her, "Not a bit of her bounces when the horse stops." She is also an expert with the ball-and-chain, with which she can delicately remove the buttons from a shirt. She is a woman pastured by her hand. Although Caprice would rather be writing French grammar back in Quebec, she finds herself in the B.C. Interior looking for Frank Speezer, the gunlinger who murdered her brother.

She meets Frank—and his dumber sidekick, Loop Grizzly—back and forth across the American border, finally bringing him to justice in the novel's sensational climax. Then, craving her freedom, she turns her back on her boyfriend, a gentle schoolteacher named Ray Smith, and rides into the sunrise.

Of course, it is all ridiculous—like the novel's two pale-skinned Indians who comment on the action with the non-peeing wit of a Tom Shppard play. But amid the entertainment

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guruism of Caprice—the exasperated characters, the plot twists, the license adulterizing—there is a core of seriousness. Caprice is an unlikely woman, but she rings true as myth—a goddess taking revenge on the mordaciousness of male-dominated society. Almost miraculously, she manages to do so without actively killing anybody herself. Instead, the forces of nature rise up to help her, in a way that is both utterly unexpected and symbolically compelling.

Bowering has created a new version of the Canadian West. Most Canadians, accustomed to American novels and movies, assume that their West was similar to the American one, with a red-coated Mountie or two thrown in for Canadian content. But according to Bowering, there are critical differences, which he identifies by introducing a comically misinformed journalist from Europe. The reporter is looking for evidence of the Wild West for the detection of his readers back home. To his disappointment, few, except the American tourists, seem bodies to carry a gun.

In the reporter's view, the residents of the West work peacefully on their ranches and play the occasional game of baseball. Caprice gives a hard ride to the Hellsywood-inspired cult of violence—and a dithering pat on the back for the gentler Canadian way.

—JOHN GILROY



Bowering: Hoping his Stetson to Canada's Forgotten West

**A**t the outset, or so George Bowering claims, he had no intention of bringing his favorite sport, baseball, into Caprice. But this is not the first time that he has fallen victim to his passion. The poet and author—winner of a 1988 Governor General's Award for his novel *Mourning Water*—has often slipped the game's imagery into his work. And when he came to Toronto late last month for a public reading, the organizers had to reschedule his appearance so that he could take in a Blue Jays game. "People have complained to me about the way I'm always stealing baseball in," the 55-year-old author said recently. "They point out it often has nothing to do with the story—or worse, it's an anachronism." Whatever the case, Bowering realized an

he researched Caprice that B.C. settlers were playing baseball as early as the 1850s. Then he discovered the account of a game played as a solo "T-Ball" Vespa's Day at the turn of the century. "It was interspersed in the stash written by an editor of the *Vespa*," Bowering says, with obvious relish. "After finding that, I had to put it in."

Bowering loves to pepper his work with such oddities—but not to mention puns and amusing digressions—but clearly, the deepest inspiration for Ca-

price came from the landscape he knew as a boy. The tall, soft-spoken author grew up in a series of small communities in rural British Columbia. He remembers wandering over the ruins of an old ghost town called Fairview, which he later brought to life in Caprice. "I used to find old pieces of pottery, wine bottles, rattling shoes, that sort of thing," he recalls. "It became obvious to me that British Columbia had a history that no one was talking about."

But Caprice is far from a realistic novel. Bowering acknowledges that he feels little kinship with conventional narrative methods. "I like to play games in my fiction," he says, "to add messages to my friends and enemies. I like to be in control of control." Indeed, the mind behind Caprice is far from exercises like a good baseball strategy. George Bowering keeps his eye on all the runners.

—JLB in Toronto

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Flying blind into the future of art

Once the seat of the princes of Hesse, Kassel, West Germany (population, 222,000), now has a distinctly small-town feel. As an industrial centre during Hitler's Third Reich, it was almost totally destroyed in the Second World War. Now, its baroque skeleton is fleshed out with nondescript commercial buildings and cafés, where backpackers need to carry green passes for conference. The closest thing

One, Documenta is the art Olympics, the place to excel.

This year's exhibition, *Documents 8*, attracted heavy advance interest. In part, that was normal art world curiosity about who is in and who is not. Canadians were intrigued because of the unprecedented size of their delegation—sixty artists in the main show, another half-dozen in performances and video events. By a wider level, interest

based on the achievements of the last generation, bring down

What replaced it was a bewildering array of approaches to art-making. As never before, contemporary art has become a commodity, a lifestyle accessory of the newly rich Styles come and go like designer dresses. The whole course of art history is open for the plundering, and artists are making double music on the road. Meanwhile,



Mongeing, Ley's Plaza and Shouhai making sense of a pasted wheel art appears to be in a state of profound crisis.

to ensue will be the thunderous passage of armored convoys, a reminder that Kassel, once in the centre of Germany, is now less than 30 km from the eastern frontier. It is also paradoxical that every five years Kassel becomes, for 100 days, the centre of the world of contemporary art. The reason is Documenta, a vast, pleasureless show of current art that attracts about 800,000 visitors. This year the show opened on June 12.

Began in 1966 to show the kind of modernist art that Nauman had outlawed. Documenta quickly established itself as a champion of the international language of abstraction. By the 1970s the event was not only reflecting recent art history, but actually molding

centred on just how Documenta organiser Manfred Schiedelbörger and his team would make sense of a period in which art appears to be in a state of profound crisis.

The unsatisfactory label attached to this crisis is a "postmodern," a term first coined to describe the new scepticism in architecture. In the visual arts, postmodernism signals a loss of faith in the idea of the avant-garde. The apolitical successors of modernity, which began with Masset and Chirico and continued through Picasso to Jackson Pollock, appear to have dissolved.

Indeed, appeared to have sprung up some time in the 1970s somewhere amid the terminal reductionism of minimalist art and the cerebral experiments of the extraterrestrials, the notion of progress was a formal breakthrough.

the aggressors are everywhere—children of the TV age who play an issue end game with the pervasive imagery of the consumer society.

Even before Deneckere's opened, many critics were sensing its critique—the theoretical justifications of Schlesinger and his colleagues—for those critical values that would be revealed to have stayed潜伏 (潜伏) . Clearly, there is a widely felt need for a straightforward sense of direction in contemporary art, one that will prevent it from spiraling in ever-widener circles. And there was hope that Deneckere's would help provide that direction.

But if anything, the show has a reactionary and somewhat retrospective look. It also has a stated social and political agenda that it does not really

carry out. According to its organizers, Documents 8 sets out to address "city life, violence, negative utopia," and to insert into the city of Kassel itself works made for specific sites—an attempt to give contemporary art a reassuring relevance. But if the gauntlet event fails to do that, it does at least clarify some of the contradictions in the current art system.

The show also includes sections on industrial design and architectural projects for ideal measures—the latter an expression of the fact that, while the late 20th century may not be a period of great art, it is a great era of mass-produced building. As fronting on the site, Documents includes a series of performances art events and anthologies of video and audio work.

To build together that somewhat inchoate mass, Documents hired the veteran Dallas designer Estate Sottsass. The site buildings that house Documents are the magnificently baroque and the Friederikiana, a long 18th-century structure that was the first building in Europe designed as a museum. After the rooms were transformed into exhibition spaces, under Sottsass's direction, they assumed a gloomy, spectacular and theatrical look, as if the organizers had in mind a closed, distanced public that needed constant stimulation.

Schneckenburger and his colleagues seem to have searched out high-impact material for the show, favoring the large scale, the dramatic and the technocratic over the personal, the lyrical and the intimate. This is art that needs a sound track—and it often provided. Various works include recordings of Mack the Knife, La Traviata, rhythm and blues, and Benjamin Britten's War Requiem. To underscore their visual hymn to a body builder, Belgian artist Marie-Jo Lafontaine used 27 video screens. American Naso Jase Falk, the father of video art, employed 44 screens for his equally addulatory tape about Joseph Beuys, the visionary German artist who died last year at his home in Düsseldorf at age 81.



Patricia's God (above), Longo's Machines in Love; next photo

Beuys,

a powerful artist and a man who created his own myth, was a pervasive presence in Kassel. In past Documentas he could be seen limbering at a blackboard about ecology or remaking a project to plant 12,000 oak trees. This time, his widow Eva opened the show by planting more; there was also a massive installation of his work in a

plein rather than moving—an illustration of the extreme difficulty of convincingly representing evil.

The contributions of American artist Robert Longo take evocative form. His *Machines in Love*, a flashy, star-warped combination of graphics and sculpture, while his *All You Zombies* (Death Before God) is a large bronze of an armoured and virile priger warrior—a stick and cynical condensation of space-age kitsch. Judging from the reactions of opening-day visitors, Longo's work promises to be the popular hit of the show.

Amid all the clattering for attention, the work of the Canadians at Kassel seemed both serious and highly intelligent. It has been apparent for some time now that much of the strength of Canadian art lies in the area of installation art, a form in which artists use a variety of means to convey complex, layered messages. Thornton Robins Collier and Lin Maye produced works dealing with ideas of consumption and production. Collyer's *The Sale (European Version)* is a scaled-down copper van that is both a mimetic sculpture and an ironic comment on North American life. In *Staged Decay*, Lin Maye used



east white room that resembled a chapel. For an artist who claimed that none of his pieces was ever completed, it all looked curiously final.

If Beuys dominated from the grave, the other overwhelming presence was that of another German, the reclusive

painter Anselm Kiefer, a personality as remote as Beuys was gregarious. One of the exhibition rooms featured Kiefer's series of extraordinary handmade books, along with two immense, glowing canvases of an operatic, positively Wagnerian intensity. Without a trace of irony, Kiefer's apocalyptic landscapes and ruins convey both ancient myths and the darker side of the Nordic psyche. By comparison—and competition—is one of the things Documents is about—the work of the American artist Robert Morris seems threadbare. Morris has used death camp photographs as a starting point for his vision of horrors and surrounded those images by reliefs containing human body parts. But even in the German context, these works seemed plain rather than moving—an illustration of the extreme difficulty of convincingly representing evil.

The contributions of

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Judging from the reactions of opening-day visitors, Longo's work promises to be the popular hit of the show. Much of the work in the city itself seemed, if possible, even more art of paper. The American sculptor Richard Bernar, for all his magisterial repartee, can produce pieces that are frequently hostile to their environment. The intimidating H-shaped standing steel plates that he placed in a Kassel street effectively blocked off the view of one of the city's few remaining churches.

It was left to a Canadian, George Trakas, a long-time resident of New York, to make a work that was sensitive to its site. Trakas spent six months in Kassel before deciding to work in the circular Rennplatz, the city's central train stop. He put up two steel bridges over train lines, erected massive tree trunks and built platforms that opened up unexpected views of the city. With his welding torch and chain saw, he became something of a permanent fixture in the city. On opening day, his mere, although unfurnished, bed, more or less, was being resited and traversed by the citizens of Kassel as if it had been there for years.

—SHIRLEY JAMES in Kassel

wounding cultures of innocence...and a model bio-racing machine—to create a metaphor for the construction of psychic and physical interiors. And Tressler's *Ice Carr-Harris* used a representation of a huge paper crown, a magic carpet, the image of a woman and the sound of a ticking alarm clock in fashion a highly personal work dealing with childhood memory.

Among Documenta's many artists who used photography, Vancouver's Jeff Wall stood out with particular authority. For a decade now, Wall has been using huge high-contrast transparencies—the medium of advertising—to create disarming and sophisticated tableaux. His *Documents* work, *The Shepherds*, shows six figures sitting on the embankment beneath a superhighway. The place seems to be about a marginal people, but on inspection Wall's knowing use of art history puts a strange slant on the message. The Indians, all fully clothed, have assumed the postures of the characters in Michelangelo's scandalously incestuous depiction of a 16th-century pieta with a nude, Diogenes-like figure.

When Documenta moved outside the hothouse environment of Sottsass's interests, it seemed to become more open of itself. Past shows have made memorable use of Kasn's great beggar park, but this year's organizers seem to have lost either their nerve or their interest. Typical of the aquifer works is American artist Chadrang Patelkar's enormous *Gold Deer*, a 35-foot, elephantine gold deer, an armoured and virile priger warrior—a stick and cynical condensation of space-age kitsch. Judging from the reactions of opening-day visitors, Longo's work promises to be the popular hit of the show.

Because of the split, and Sottsass's precarious finances, analysts speculated that Black had significantly less than \$5 million. As quickly as the new year was ushered in, Black, and for his more moderate conservative opinions, would change Saturday Night's relatively liberal writers. The new release issued by Black's Toronto-based company, Publishing Inc., gave new indications, stating only that it was committed to maintaining "editorial excellence."

Black already controls an international media empire that includes London's *Daily Telegraph*, 22 U.S. dailies and a major Quebec newspaper consortium, *Le Droit*. Inc., acquired last month. Yet he reportedly wanted an important Canadian publication to add to the mix and approached Biensu, owned by Norman Webster, editor-in-chief of the Toronto-based *Globe and Mail*. Webster's brother, William, and his sister, Margaret Gallagher,

Although Saturday Night publisher John Macfarlane knew that Black and other buyers were negotiating, Black's final move on June 27 left Macfarlane no chance to organize a counterbid. The next day, the new owners issued a statement assuring the magazine's staff that they had "no immediate

## PUBLISHING

# Saturday Night fever

For months the venerable institution was, if not officially for sale, at least available. And for months no owner, Danco Investments Inc., had been discussing prices rumored to lie in the \$2-million range, with such potential buyers as Toronto's *Pageant* Corp. and other publishing industry consortiums. If the property had been real estate, it would have sold quickly despite its shaky condition. Instead, it consisted of the 100-year-old Saturday Night magazine—chronicler of Canada's culture and a financial black hole that lost \$350,000 last year—and its profitable sister arm, Saturday Night Publishing Services. Last week, David Black, founder, media-expire builder, historian and journalist, bought the magazine, splitting the property in two.

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Black acquires SN

plans for any changes in senior editorial personnel." Yet they also made clear their intention to replace Macfarlane. Meanwhile, Biensu still controls Saturday Night Publishing Services, which produces other magazines and annual reports, and has asked Macfarlane to stay on as head of the division. Neither Macfarlane nor Robert Fulford, the magazine's editor for 19 years, would comment on their futures.

According to Webster, the magazine now has a circulation of 115,000 and needs at least 175,000 readers to pull itself out of the red. Certainly, Black has the resources required to mount a drive for a wider readership. But former owner Webster warned that, in his experience, the cost of maintaining one of the nation's publishing landmarks represented "a very large commitment."

—PAMELA TORKE in Toronto

## MACLEAN'S BEST-SELLER LIST

### FICITION

- 1 *Missy*, King (3)
- 2 *The Thugs*, Stein (3)
- 3 *The Radiant Way*, Deeb (2)
- 4 *Rage*, Smith (3)
- 5 *Overkill*, Stevenson (2)
- 6 *Haunted House*, L'Amour (2)
- 7 *The River Hawk*, L'Amour (2)
- 8 *Wings of the Gods*, Sholto (2)
- 9 *The Thirsty*, de la Senza
- 10 *The Eyes of the Dragon*, King (2)

### NONFICTION

- 1 *More Advice from the Back Doctor*, Stein (2)
- 2 *Climb Purple, Shroud (2)*
- 3 *The Philistines and the Kennedy*, Goodwin (2)
- 4 *Hot Money*, Naylor (2)
- 5 *Ornua Unplugged*, McNeil (2)
- 6 *Roosa*, Peters (2)
- 7 *The "T" of the Hurricane*, McNeil (2)
- 8 *Unseen Lion the Head*, Stewart (2)
- 9 *Controlling Interest*, Who Owns Canada?, Peters (2)
- 10 *Women Must Love Women Men Love Women*, Connell and Krader (2)
- 11 *Forces Just and Good*

Compiled by Priscilla McNeely

# Only the chaste may apply

By Allan Fotheringham

**T**he press, which has enough problems trying to track the financial, sexual and philosophical meanderings of politics, has now set itself a new task. It is to monitor the bedrooms of those who seek high public office. The United States is abuzz with the debate—among the scrubs, the pols, the voters: Does the lascivious eye of the seditious man have anything to do with how he might pass the red button? It is this report's hot topic, and, as all treads, will soon be across the border, demanding to know of Alvin Hamilton, Flora MacDonald and John Crook the intimate details of their romantic activity.

We live in perilous times—thanks to Dennis Rice. Ever since she got into monkey business on the good ship *Monkey Business* with presidential favorite Gary Hart, everything has gone wacko. The self-destructive Hart, with the White House in his sights, abandoned his long-planned goal—not because of Rice but because of something more ominous.

A former U.S. senator, author of the confounding reports about his wife and her affair with the indomitable Hart, has a private detective to find the truth. The detective, his photographs showed, nudged fellow Hart right into the boudoir of a Washington woman—not the senator's wife but another paramour. Said senator gleefully rushed to The Washington Post with the evidence, the Post indicated to the Hart staff what it had. And hell gave out.

The subsequent picture in that esteemed journal, the *National Examiner*, showing what boy Gary did on his summer holidays aboard the yacht that meandered around the way to Baum's, simply confirmed the candidate's jerk behavior.

Now, this is the subject of the debate consuming every press room and editorial page conference in the land. Does it matter? Jessie Jackson's wife says it doesn't. "I don't care," says Alice Fotheringham, an columnist for *Southern News*.

sheets," she defiantly told reporters. Among other things, she wouldn't have the energy, since Rev. Jesse is on the road 10 months of the year. The wife of Democratic presidential candidate Paul Simon, a senator from Illinois, proudly told the press that the *Miner Herald*, the paper that uncovered the Rice affair—"can stand in our garden any time they want."

Reporters (no one likes to be behind in the new cottage industry) are hotly asking every presidential candidate on the horizon—there are some 15 at last count—whether they have ever com-

mitted adultery, including their financial records, their medical records and presumably what they did in the tent with the other 18-year-olds at summer camp. We are getting a bit ridiculous here.

Thomas Eagleton, a fine senator who has just resigned, was instantly destroyed as George McGovern's vice-presidential candidate when it was revealed he once had undergone shock treatment for depression—an incident he had neglected to tell McGovern. Now we are verging on the Sex Pals, the leadership of the most powerful nation in history resting on who has ever stayed from the marriage bed.

The new Washington press attitude comes partially from guilt, is the knowledge that—in the old days, under the old rules—no one wrote about what everyone knew: Roosevelt's affair with his secretary or Johnson's randiness or Kennedy's shenanigans tomfooling (Even Reagan, who talks constantly about family virtues and is the first殉道者 to make a statement, is reported to have been embarrassed of having his and Nancy's first child arrive considerably under the usual nine-month term.) But after Vietnam and Watergate, when reporters found that entire governments were lousy, they decided to tell the truth about everything.

Reporters, in retrospect, feel somewhat disgraced that they were not more forthright at the time about the truth of the Margaret-and-Pierre story as they knew it. As with the Duke of Windsor and Wallis Simpson, it was the foreign press that broke the story.

Mature, dear readers, are going to get more candid before they get better intellectual. Margot Kinnan is going to be in style. Teddy Kennedy, even if he might chance to be the best presidential choice in the field, doesn't dare stick his head above the trenches considering the current mood.

A lot of men who may have been considering entering politics may be rethinking things. A lot of present politicians may be rethinking their ambitions. Perhaps even a lot of ordinary men may be rethinking things.



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